Looking Over Ontario Tobacco "Poolers" (Page 11)

THE FINANCIAL POST

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The Nation's Business

Choosing Ontario's Potential Premier
Careful Choice Must Be Made
Still Many Handicaps On Our Magazines
Tariff Board Reports On Automobiles
And Seems to Have Pleased No One

Conservative Opportunity

CONSERVATIVES have a great opportunity to serve Ontario when they meet in convention on May 27 and 28 in Toronto. They are not selecting only a leader for the party. Their responsibility is much greater than that because in the course of a few years or a few elections the man they choose will in all probability be Premier of the province.

The delegates will therefore do themselves honor and every resident of the province a great service if they choose a man of exceptional calibre and character. No ward heelers or petty politicians should be considered for a moment or listened to when the moment for selection comes.

It will help the delegates come to a right conclusion if they first do some heartsearching as to the reasons why they lost the last election. The people of Ontario rebelled against obvious corruption and inefficiency in high places, against witless extravagance just before the election and against the ill-considered projects on which so many millions of dollars of public money were wasted. The party lost because it deserved to lose in the opinion of voters of the province. It will come back all the sooner if the province recognizes a reorganized and rejuvenated party which deserves to win. It will not be enough to hope to come back as a result of any misdeeds of the party in power. The new leader and the new policy must be such as to command respect on all hands.

* * *

THE people of the province will respect the Conservative party much more highly if there is a new deal in leaders. The present leader, Hon. George S. Henry, is naturally not the man to bring the party back to power because it was under him the evidences of old misrule became most evident.

Under the British system of collective responsibility of cabinets none of his ministers can entirely escape the odium. Some of them are able men and highly regarded personally but few members of the former cabinet would be considered by the rank and file of the party.

During the twentieth century so far the Conservatives have governed Ontario during periods of good behavior. They have been turned out only when they got too sure of themselves and too careless of their real duty as distinguished from what was politically expedient. They have had premiers who have enjoyed the confidence of the electorate in a signal manner. The lesson of the last election for those who can read it is that the electors are neither sheep nor fools.

What happens at the coming convention will show whether or not that lesson has been learned by the politicians. What is wanted is not the demonstration of a powerful political machine at work. Much more compelling will be the view of free men intelligently and earnestly trying to choose among the candidates the man best suited by experience, attainments and character to render valuable service to Ontario and therefore to Canada.

What is wanted is a man of proved business ability—a capable administrator who will choose the right associates.

* * *

Handicaps On Canadian Literature

THE recent budget relieved Canadian magazines and periodicals of some of the unfair duties and taxes they have had to bear. The concessions granted on certain duties and on a portion of their sales tax charges served to correct, in a measure, the gross injustices done to them in the U.S.-Canada trade agreement. But only in a measure.

Their production costs, however, are still considerably higher than those of their United States competitors.

Conditions are such that they could still print their publications in Buffalo and Detroit and get lower costs on nearly all raw materials they use.

The Canadian publisher has a market of about 10 million people to serve, divided between two languages. The American publisher has a market of 125 million people at home, plus the Canadian market as well. In fact, he has preferred terms in the Canadian publisher's market. His product enters Canada with no taxes or tariffs of any kind.

The Canadian publisher still pays duty on practically all his raw materials. He would be prepared to meet the handicap of the limited market—great as that handicap is—if he could be freed of the inequalities of having to contribute to the

(Continued on page 2, col. 3)

Show Boost In Car Prices Due to Taxes

General Motors and Ford Statements Clarify Tariff

BOARD FINDINGS

Effects of tariffs on automobile prices and on the operations of the industry in Canada have been clarified by recent explanations.

Statements have been made by H. J. Carmichael, vice-president and general manager of General Motors of Canada Ltd., Oshawa, and by W. R. Campbell, president of Ford Motor Co. of Canada, East Windsor.

The Canadian Tariff Board's summary of recommendations to the government also contributes to the clarification of the situation.

Summary of Comments

Mr. Carmichael states that the recent rise in cost of a car to the buyer is due entirely to higher sales tax. Ford price figures show that the sales tax accounts for nearly all the increase in cost of this firm's models to the consumer.

The Tariff Board's recommendations to the government imply that the Canadian automotive industry benefitted the country by between $26 and $33 millions in 1934.

Companies making automobiles and parts in Canada paid between $40 and $47 millions in wages, materials, taxes, freight and services directly attributable to the industry itself. From this figure must be deducted the additional cost of the cars, trucks and parts arising through tariff protection, estimated at approximately $14 millions.

Carmichael Statement

H. J. Carmichael's statement is in part, as follows:

"In November last, when conditions of the Canada-United States trade agreement were made known, we were in the midst of introducing our new models of cars for 1936. The terms of the agreement indicated that after January 1 the duty on low-priced cars would be 17½ per cent. The motor manufacturers, realizing that unless something were

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Earnings may be about equal to last year, after double depreciation, but tariff changes cause another disappointing year. Page 11

Investing in Canada
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Balanced Budgets
Analysis of leading Canadians' views of the outlook in Canada indicates wide demand for a new deal in government financing. Page 8

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200 Miles to Gallon But Joke to Kettering

Famed G. M. Inventor Sceptical of Pogue Carbureter

BY STAFF EDITOR

DETROIT.—"I'll bet you ten to one it can't be done."

This is the dictum of Charles F. Kettering, world-famous inventor, automotive expert and head of General Motors Research Corp. as he and two of his lieutenants pored over the plan and story of the supposed miracles of the Pogue carbureter, the automobile invention of a Winnipeg man, said to give 200 miles to a gallon.

Mr. Kettering was consulted here by The Financial Post because of the world-wide effect the Pogue device would have on the oil industry if the claims for the device prove to be true.

"It just can't be so," said Mr. Kettering, "and if it is so it has nothing to do with a carbureter.

Claims Too Good

"The results Pogue claims are just twice as good as the performance of the most economical Diesel engine in the world—without the use of a carbureter.

"The carbureter is not the controlling factor above a certain point. You can install a carbureter on a car which will waste fuel for you but you cannot make a carbureter do things which are governed not by carburetion but by two entirely different factors, namely the molecular structure of the fuel itself and the construction of the engine.

"Results claimed for this invention are simply not possible. Mr. Pogue may have found something else but he certainly has not obtained the results he claims by carburetion.

"Our files are thick with so-called inventions of this sort. My advice is don't put your money on it. There's a joker somewhere."

Pogue Invention

The inventor is Charles Nelson Pogue, whose chief backer is W. J. Holmes, Winnipeg.

Canadian Automotive Trade, Toronto, publishes in its May issue a copyright article including a partial illustration of the method by which the carbureter is said to operate and an extensive report by H. C. Braund, managing editor of the paper, of sensational economies in gasoline consumption claimed for the device.

Obviously, if the carbureter does all that it is reported to do it would have far-reaching implications for oil companies.

The article states that "a competent carbureter engineer, representing a large manufacturer," sees no reason why the principle of the invention would not work.

Quiet, Reticent Men

In telling of the carbureter, Mr. Braund describes Mr. Pogue and Mr. Holmes as "quiet and reticent about the device." The article states: "Trials which they permitted some Winnipeg men to make were the means of the news reaching the public. The inventor and his backer still consider the device was prematurely announced, although they claim they were achieving the remarkable economy of 75 miles to the gallon back in 1927.

"No one has been allowed to examine the details of the working model. Not even those who might be considered possible purchasers have seen its interior. They have been permitted to test it, to give it every possible test on the road, and they all admit they were staggered by the results. They are convinced Mr. Pogue 'has something.' They still do not know exactly what it is."

25.7 Miles on a Pint

One of those who tested the device is described by Mr. Braund as a representative of the engineering department of a large Canadian car manufacturer. This man drove the car personally at speeds from one to 70 miles per hour. He testifies:

"At the time test was made, we covered 25.7 miles on one pint of gasoline. Before starting the test, the car was run until the motor stalled for want of fuel. The pint of gas was then connected, the main supply turned off, and the test started with a stalled motor. We are at a loss to understand the reason for such marked economy. However, every consideration was shown in carrying out test."

Vancouver on 14½ Gallons

Accompanying the report in Canadian Automotive Trade is a photograph of a Ford car, with C. N. Pogue at the wheel and W. J. Holmes standing, taken in Stanley Park, Vancouver. "The car," Mr. Braund states, "equipped with the Pogue carbureter, was driven from Winnipeg to Vancouver and back, through the mountains. Mr. Pogue says the car consumed 14½ gallons of gasoline in 1,879½ miles, while another car, equipped with a standard carbureter, used 106½ gallons to cover the same distance. That was in June and July, 1935, and they say mileage has been considerably increased since then."

The general principle upon which Mr. Pogue has worked is described as follows:

"Study of carbureters showed Mr. Pogue that gasoline, passing through the jets into the tube and the engine, remains in globules, small perhaps, but globules nevertheless. He reasoned that the only part of the gasoline globule that would ignite was the vapor surrounding the globule. The liquid ball would not ignite until the explosion occurred, when it would burn with a hot flame, adding little or nothing to the power impulse, but contributing greatly to damaging internal heat. If, he thought, those globules can be broken into still finer particles, more power will be obtained from the same quantity of fuel.

"Gasoline, he found, was rushed into the engine at such terrific speed that it had little time to be properly vaporized. If it could be given time to vaporize thoroughly, more efficient combustion would result. He began to devise apparatus to do this. It was no sudden discovery, but a long, slow, painful trail, often doubling back, frequently discouraged. Mileages, however, crept up."

MIRACLE MAN?

C. N. POGUE

Winnipeg inventor of the Pogue carbureter, said to give 150 to 200 miles to the gallon of gasoline when used on ordinary automobiles. Mr. Pogue has recently been in Montreal and is understood to have been discussing the device with Dominion Engineering Works, subsidiary of Dominion Bridge Co.

Windsor Tax Collections Show Marked Improvement

Tax collection figures of the city of Windsor for 1935 and in 1936 to date indicate marked improvement in the city's finances.

In each of the four merged municipalities total collections for 1935 were in excess of the levy as a result of receipt of substantial payments of arrears. Total tax receipts for the entire municipality amounted to $4.4 millions in 1935, more than $500,000 over the combined levies. Collections of current taxes amounted to 77 per cent of the levies.

To what extent this improvement will mean an increased amount available for distribution to bondholders is not known since part of the arrears collected on previous tax rolls is pledged against bank loans.

Collect 58.6 Per Cent

In the current year, the improvement in collections has continued and it is possible that last year's figure will be exceeded. While only one of the city's five tax installments is due, receipts of 1936 taxes to date amount to 58.6 per cent of this year's tax levy.

Up to May 7, collections of current taxes totalled $2,277,638. The total levy for the year is $3,869,057 and the budget calls for an expenditure of $3,150,000 exclusive of provision for bondholders. No announcement has been made as to the amount of arrears collected. Additional 1936 tax payments fall due on June 1, August 1, October 1 and December 1, with a graduated scale of discounts according to the time of collection.

Improvement in the city's finances as a result of increased tax collections is believed to be the reason for the opposition to the new refinancing scheme which developed in the bondholders' committee. The opposition, however, has been smoothed out and the plan is being proceeded with. At the present time the plan is being drawn up in legal form for submission to bondholders.

Details of 1935 collections are given below:

Windsor 1935 Tax Collections

	Levy $	1935 Taxes Paid $	Arrears Paid $	Total Collected $
Windsor	2,504,628	1,903,488	946,780	2,850,268
Walkerville	609,197	482,224	145,855	628,079
East Windsor	460,557	376,088	213,722	589,810
Sandwich	358,743	249,744	159,799	409,543
Total	3,933,125	3,011,544	1,466,156	4,477,700

Corporate Tax On '35 Income Has Inequality

Firm With Early Year-end Pays High Tax on Two Periods

MAY BE RECOVERY

Increased corporation income tax imposed by the 1936 Dominion budget applies, as usual, to earnings in 1935 and also to earnings for any fiscal period ended in 1935.

Corporation executives appear to have been worried over the impression that the increase applies to 1934 income, but this is not strictly correct. The increase applies only to fiscal periods ended in 1935.

A company whose fiscal year closed early in 1935 does pay the increased rate of taxation on profits that were mostly made in 1934. This does not mean that the increased taxation is retroactive to 1934. However, companies whose years ended early in 1935 do pay the increased rate on what is really 1934 income, as well as on income for year ended early in 1936.

Compensation is Hope

The hope of companies affected unfavorably is that it will work the other way, if, as and whenever there are decreases in the rate of corporation income tax. Income tax officials point out that such offsetting benefits have actually been realized in the past.

The most extreme case of application of increased taxation is probably that of Simpsons Limited, Toronto merchandising firm. The fiscal year ended Jan. 2, 1935, so that virtually all earnings were those of 1934. The company is taxable at the increased rate on income for the year ended Jan. 2, 1935, and also for the year ended Jan. 8, 1936. The company does not contemplate changing its fiscal year, but hopes to recover taxation some day when the corporation income tax rate is decreasing.

Most Dec. 31 Years

Most companies operate on fiscal periods that correspond with the calendar year closing Dec. 31. In such cases there is no complexity in applying the tax increase.

Among the companies that had years end in January, 1935, are Hudson's Bay Co., Canada & Dominion Sugar Co., McColl-Frontenac Oil Co., A. J. Freiman Ltd. All such companies pay the increased rate on income for the years ended in January, 1935, as well as for years ended in January, 1936.

Companies affected by the closing of their fiscal years in February, 1935, include Canadian Canners, C. W. Lindsay & Co., Canadian International Investment Trust.

Later Closings

There is a large and important group of companies whose years close at the end of March and which are concerned with application of the increase. Included are Union Gas Co., Dominion Textile Co., Canada Packers Ltd., Canadian Cottons, Eastern Dairies Ltd., and many others.

Numerous important companies have fiscal year-ends between May and August. This includes most grain companies and flour milling firms and others such as Loblaw Groceterias Co., B. C. Power Corp., Power Corp. of Canada, National Steel Car.

Decreasing taxation would work to make restitution to these companies. If, for instance, the rate dropped by 2 per cent in the 1940 budget, it would apply to earnings for 1939. This would mean that a company whose year ended Jan. 31, 1939, would get back 2 per cent for that year and also for the year ended Jan. 31, 1940.

Business Figures Mostly Favorable

Substantial gains are recorded in most of the business figures released during the past week. With the exception of construction contracts awarded, all totals are above those for the corresponding period last year. Construction contracts and exports of wheat and wheat flour are lower than in the previous month.

For further details see page 7.

	April	—Change— From prev. period %	From prev. year %
Monthly:			
Cattle sales, No.	*61,785	+2	+15
Hog sales, No.	*77,526	+3	+19
Leather f'twear, No.	*2,110,598	+15	+9
Bldg. contracts	$9,815,100	—4	—13
Cream. butter prod., lb.	14,348,132	+50	+6
Wheat exports, bu.	6,572,364	—50	+10
Wheat flour, exp., bbls.	381,162	—41	+1
Weekly:			
Car loadings, No.	47,262	+0.06	+9
Cattle sales, No.	17,827	+1	+51
Hog sales, No.	20,048	+10	+39

*March.

New Parcel Post Basis Is Announced for Canada

Cancellation of the present method of weighing parcel post packages to the nearest pound is announced by Canadian postal authorities. Instead, parcels weighing fractions of a pound over an even pound, mailed in Canada for delivery in Canada, will be charged in addition to the even pound rate, one cent an ounce up to the next highest rate.

The rate is ten cents for the first pound and five cents for each additional pound.

NEW LEADER MAY BE HERE

Here are some of the prominent Conservatives who will be in the limelight when the party holds a convention in Toronto, May 27-28, to select a leader. (TOP, left to right) Hon. Leopold Macaulay, Hon. W. H. Price, Hon. Earl Rowe. (CENTRE, left to right) Hon. W. A. Gordon, Hon. G. Howard Ferguson, Hon. G. S. Henry. (LOWER, left to right) Wilfrid Heighington, A. H. Acres, Arthur Ellis.

Many in Race to Lead Ontario Conservatives

Rowe Seems to Be the Favorite Among Entrants

1,900 TO DECIDE

From Ontario's 90 ridings, 1,900 Conservative delegates will meet at the Royal York hotel in Toronto May 27 and 28 to hammer out a policy and select a provincial leader.

Every effort has been made to make the convention a representative one.

Not "Hand Picked"

The leadership is not "in the bag"; selection will be made on the floor of the convention. And there are plenty of aspirants for the honor. One or two stand out as favorites but there are "dark horses" in the race.

In talking over the prospects of leadership with Toronto Conservatives who are in touch with ridings all over the province The Financial Post finds a prevalent belief, especially in "inner circles," that the leader chosen will be Hon. William Earl Rowe, member of the House of Commons for Dufferin-Simcoe. Many are predicting he will be elected on the first ballot. Others see Hon. Leopold Macaulay and Hon. W. H. Price.

The trend to Hon. Earl Rowe reminds one that the Liberal convention of 1933 chose Mitchell F. Hepburn, also a farmer, when he was a member of the House of Commons. Earl Rowe became a minister in Premier Bennett's cabinet just before the last election. He is a very talented speaker on agricultural topics and has had plenty of municipal experience. He spent two years in the Ontario Legislature from 1923 to 1925 and then sought the larger field at Ottawa where he has won every election so far.

"Dark and Handsome"

Earl Rowe appeared with Denton Massey in Miss Agnes MacPhail's House of Commons "beauty list." This has subjected both to some chaffing.

What is said to be a political asset in Rowe's favor is that he does not live in Toronto, and oddly enough a number of Toronto men favor him for the reason they think if he does not come from Toronto he will be more acceptable to the rest of Ontario. These Toronto people use that sort of argument to explain why they are not lending

(Continued on page 2 col. 5)

"Form Chart" On Favorites

Here's a list of those mentioned for leadership of the Conservative party in Ontario in the order of their chances as estimated by party leaders:

1. **Hon. William Earl Rowe, M.P.** for Dufferin-Simcoe, residence, Newton Robinson, Ont. Farmer and live stock breeder. Has been reeve, M.P.P. and M.P. and cabinet minister. He was 42 May 13.
2. **Hon. Leopold Macaulay, K.C.**—M.P.P. for York South, 48 years old. Has been Provincial Secretary and Minister of Highways.
3. **Lieut.-Col. Hon. William Herbert Price, K.C.**—M.P.P. for Parkdale, Toronto, in Ontario Legislature, 58 years old.
4. **William J. Stewart, C.B.E.**, was alderman for seven years and Mayor of Toronto for four years. Is president Bates & Dodds, Ltd., funeral directors.
5. **Wilfred Heighington**—M.P.P. for St. David's, Toronto, in the Ontario Legislature since October, 1929. Nearly 39 years old.
6. **Adam Holland Acres**—M.P.P. for Carleton since 1923. Extensive experience in municipal and county councils. Farmer and breeder of stock.
7. **Arthur Ellis, K.C.**—M.P.P. for South Ottawa since 1929. Born at Ottawa 46 years ago. Educated at Unslie, Ottawa and Osgoode Hall, Toronto. Has been public school trustee, alderman controller and Mayor of Ottawa.

Dark Horses

1. **Hon. Howard Ferguson**—Former premier of Ontario and later High Commissioner for Canada in London, now touring the world with Mrs. Ferguson and due back a week before the convention.
2. **Denton Massey, S.B.**—M.P. for Greenwood, Toronto. Has not been mentioned particularly or pushed for leadership but is most widely known candidate
3. **Hon. Wesley Ashton Gordon, K.C.**—Former member of the House of Commons elected in 1930. Made Minister of Immigration and Colonization and later Minister of Labor and Minister of Mines. Born in Owen Sound, educated there and at Osgoode Hall, Toronto. Often mentioned as possible candidate but has made no personal move toward leadership. Since defeat of Bennett administration in 1935 he has resumed practice at Haileybury.

Merchants Grin and Bear Loss of U.S. Trade at Border

From Our Own Correspondent

WINDSOR.—Substantial importations of merchandise by Canadian tourists returning from the United States have been noted at this port since the $100 exemption clause went into effect as a result of the recent budget. But local merchants, who are likely to be affected as directly and as sharply as retailers anywhere in Canada, are not registering any very determined complaints. They were fearful of the possible consequences but are willing to admit that the regulations, as framed by Ottawa, are likely to prevent excessive exploitation of the exemption privilege.

Among the restrictions that are being strictly enforced are provisions that all merchandise must be part of the tourists' baggage; that the privilege of claiming exemption shall be exercised not more often than once in four months; that members of a family travelling together may not combine their exemptions in order to import a single expensive article; that the exemption privilege is personal and can not be used to bring in goods intended for other people.

These regulations are much more strict than those enforced by the United States under its $100 exemption clause. It is anticipated, however that Washington will amend its regulations along the lines of Canada's.

Feeling of merchants is that Canadian retailers are fortunate to have enjoyed the benefit of the American tourist exemption clause for many years and that it was inevitable that Canada would some time be asked to reciprocate.

Bright Spot In Sales Tax Is Revealed

Double Taxation Burden Removed for Some Manufacturers

IT'S TUCKED AWAY

From Our Own Correspondent

OTTAWA.—Tucked away inconspicuously in the budget resolutions on the sales tax is a proviso which removes in part the double taxation features introduced in 1933. It means, also, a gain to manufacturers in many lines, of $3,000,000. It is one of the few bright spots in the budget taxation provisions and not only will remove inequalities and injustices imposed on manufacturers these past three years but will simplify, greatly, the administrative work at Ottawa.

Change Is Technical

Because the change is technical and is liable to misconstruction, David Sim, commissioner of sales tax, will issue a departmental bulletin informing manufacturers of its significance. Every effort will be made to avoid the most difficult phase of tax collection — the making and collecting of assessments for arrears.

The change exempts from the sales tax all consumable materials—that is, materials consumed completely in production. It is of vital importance to the paint and varnish makers, the automobile industry, chemical producers, dyers, machinists and a wide range of other manufacturers.

The Tariff Board report on automobiles, for example, stated they believed the removal of this levy would mean ultimately a saving to consumers of $4 to $5 per car.

First Idea One Tax

Shortly after its inception, the government sought to make the sales tax a single charge on production to be paid by manufacturers. The policy was to impose the tax but once and in such a way that all of the tax could be passed forward to the ultimate consumer.

In 1933, Hon. E. N. Rhodes, in search of more revenue, abandoned this policy in two respects:

1. He imposed the tax on consumable materials.
2. He withdrew the exemption on non-permanent equipment.

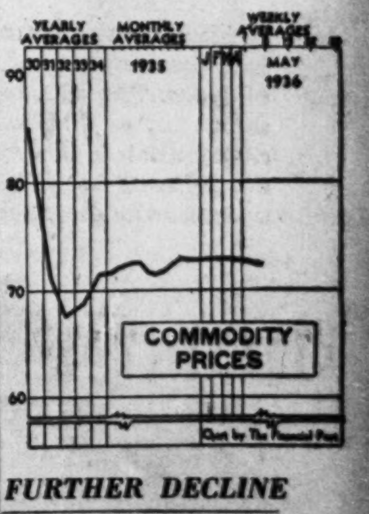
These two changes netted the treasury about $5,000,000 additional revenue of which $3,000,000 (being the tax on consumable materials) is now surrendered. Non-permanent equipment remains subject to tax although the 1936 budget foreshadows its restoration to the exemption list as soon as the revenue can be spared.

Consumable materials cover a long list of products, necessary in production but not present in the finished products. They include—paint or varnish thinners, solvents, chalk, buffing and polishing materials such as lime, emery powder, rouge, silica, pumice; caustic soda or other alkalies for use in the cleansing of bottles, cans, etc.; detergents, developers for colors, mordants, penetrants, boiler compounds, water softeners and so on.

Unfairness seen

The unfairness of imposing the tax on those articles has been recognized from the outset. Take thinners, for example. The paint and varnish manufacturers might escape injustice by including the thinner with the paint or varnish, selling paint and thinner in the one mixture and in the can. Thus the paint people could charge for thinner and recover the tax. But the automobile manufacturers or the furniture maker, had to buy paint and thinner. When used, the thinner evaporated and only the paint remained. The tax on thinner in this case could not be recovered or passed along save in the price of the product.

The boundary line between consumables and non-permanent equipment is clear but very narrow. Non-permanent equipment embraces such items as sand paper, abrasive cloth, buffing wheels, grinding wheels, fire clay, files, drills, dies, patterns, brushes, polishing belts, sponges, gaskets, etc. These are used up in the process of production, but never are mixed in with the article being produced. This type of equipment remains taxable.



FURTHER DECLINE

Wholesale commodity prices declined to 71.9 in the week ended May 8 from 72.1 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

The 'College Street' Hat by "KNOX" of NEW YORK

Here is a hat that is well suited for late Spring and Summer wear! It is made for the Men's Shop, by KNOX, of New York, from fine quality fur felt that retains its shape so well that the hat can be worn in three distinct styles as desired!

With the crown flattened, it is a "pork-pie" hat. Again, it can be worn in semi-"pork-pie" style with the crown "pinched" in front . . . or converted with a wave of the hand into the conventional fedora style with upturned-or snap brim!

You will find the "College Street" at the Men's Shop, in attractive shades of pearl grey and brown. Sizes 6¾ to 7½. The price is

$7.00

MEN'S SHOP

(Bay Street Section)

EATON'S - COLLEGE STREET

Penmans

Manufacturers of High-Grade KNITTED UNDERWEAR HOSIERY AND OUTERWEAR

Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.

PENMANS LIMITED

General Offices: PARIS, ONT.

Production and Distribution

A fundamental function of this Bank is to help finance the production and distribution of goods. The primary producers, the manufacturers, and merchants engaged in the distribution of their products, may look with confidence to this Bank for helpful co-operation in all sound business undertakings.

THE DOMINION BANK

ESTABLISHED 1871

C. H. CARLISLE, President — DUDLEY DAWSON, General Manager

Capital Paid Up $7,000,000

Reserve Fund and Undivided Profits $7,592,000

The Nation's Business

(Continued from page 1)

Dominion treasury taxes and duties that American publications coming in do not have to pay.

There is no other industry in Canada that is so handicapped, where raw materials pay duties and taxes and the finished product pays none.

* * *

IF IT were just an industry that were so handicapped it would be a matter of great interest to the public. But periodical publishing is much more than an industry. It is an instrument of commercial propaganda and of national spiritual development.

The present position is that the advertising of foreign products is circulated in Canada with a freedom that is still denied to advertising of Canadian products. Thus every Canadian producer is interested in the statement of the case of the periodical publishers, for it is the producer's interest that is jeopardized.

In addition to advertising foreign products, imported periodical literature, particularly that of the United States, plays up as superior the political, cultural and commercial habits and ideas of people who are not Canadian and not even British. Canadians ought to be given complete freedom to read this literature if they wish. The only objection is to granting it a virtual subsidy. We cannot build up a national spirit without national periodicals any more than we can manage the Canadian confederation without a national government.

* * *

IN MR. KING'S former régime he started to correct the evils of the situation by giving Canadian publishers a drawback of 80 per cent on certain duties. In 1928 Canadian magazines made a drive to establish their circulation on a truly national basis. When Mr. Bennett came in he abolished the tariff drawback system but put a duty on foreign magazines. This also helped the magazines, although in another way. They invested heavily in equipment, machinery, editorial content, etc., feeling that their opportunity to supply Canada's needs for national periodical literature had finally been granted them. Soon increased postage rates and sales taxes began to handicap them, and the U.S. trade agreement put them in a most difficult position and threatened their very existence.

Canada's nation-building literature has now been given some respite from the unjust burdens it has been asked to bear but it is still heavily handicapped. Naturally every Canadian is interested in seeing that it quickly obtains full justice.

We do not believe there is a single magazine of large circulation, published in Canada, that has been profitable. Publishers have made profits on other types of publications and have reinvested these as well as other capital in providing the Canadian public with suitable magazines. But the magazines themselves have not been profitable.

Tariff Board On Automobiles

IT TAKES thirteen mimeographed pages just to summarize the findings of the Tariff Board in respect of the automotive industry in Canada and many of the recommendations and findings are of far-reaching importance to the industry and to the consuming public generally.

After thousands of dollars and months of time have been spent to investigate this industry it remains something of a national enigma that nothing apparently has been done either to reduce the cost of producing and selling cars in this country or to ensure continuance of the automobile industry.

Admittedly there will be some reduction in the price of very high-priced cars following a cut in the tariff from 27½ to 17½ per cent, but by reason of the higher sales tax the average man, who does not buy a high-priced car, will pay on the average from $15 to $25 more for his car than before. It would seem that the net savings in production costs following the entire reclassification of the tariff schedule and other important changes, suggested by the board, are not even sufficient to offset this increase in taxes payable to the government.

* * *

FROM the recommendations of the tariff board it is obvious that many avenues lie open to improve the efficiency of car production, distribution and sale in this country. Yet so far the tariff board mountain seems to have labored and brought forth a mouse that will be a great disappointment to the average motor car buyer in this country. The automobile industry is not satisfied that the problems of the industry have been understood or its needs met. Low tariff M.P.'s are furious that car prices have not come down.

There may be more to the tariff board's report than meets the eye in a first, even if careful, reading, but the first impressions of it seem to please no one.

* * *

Industry and Employment

THE Minister of Labor appealed the other day to commerce and industry to give more employment.

The president of the Toronto Branch of the Canadian Manufacturers' Association stated that practically all men at the head of industries had been doing so all the way through the depression; that is, by paying increasing taxes to take care of the unemployed and at the same time carrying on their payrolls unnecessary men and women. Others have developed extra work and given employment, actually taking men off the dole.

Is it the intention of the government taxation and Labor departments to still tax these men and continue the frightful over-expenditure which they all admit is going on? Should they not give recognition to all such employment as has been given by public-spirited citizens and make it a definite policy in the future to allow for such employment when framing taxation policies?

Imperial Oil, Pete, Andian Paying Bonus

Canadian Gasoline Price Too Low to Attract Imports

Many holders of shares of Imperial Oil, Ltd., International Petroleum Co. and Andian National Corp. were relieved when announcements of dividends on May 12 indicated no change in disbursements in spite of the budget drop in protection on gasoline from 2¼ cents to 1 cent a gallon.

Imperial Oil will pay to shareholders of record May 15 a regular dividend of 25 cents a share plus a bonus of 37½ cents, or 62½ cents a share in all. International Petroleum will pay to shareholders of record May 22 a regular dividend of 75 cents a share and a bonus payment of 50 cents a share, or $1.25 a share in all. Andian National Corp. will pay $1 plus $1 a share, or $2 in all to shareholders of record May 20. All payments will be made June 1.

U. S. Not Interested

There was no real reason for alarm over a drop in gasoline prices, say oil men. The only markets of interest to United States exporters are those where population is large as in Toronto, Montreal and other industrial centres. Cost of distribution prevents them making a real effort to get distribution outside the congested areas.

At present the market in Toronto and in Montreal is unattractive to United States refiners and distributors.

In the Western provinces stories have been retailed that gasoline prices would be raised. That also is untrue.

McColl-Frontenac Continues

From Our Own Correspondent

MONTREAL.—Despite the recent reduction in gasoline duty from 2¼ cents to one cent a gallon under the intermediate tariff, McColl-Frontenac Oil Co. will be able to continue operations on a satisfactory basis, John Irwin, president, told the shareholders at the annual meeting.

At a special meeting, held immediately following the annual meeting, the shareholders voted in favor of a by-law, already approved by the directors, increasing the authorized common share capital from 750,000 to 2,500,000 shares. This will provide the company with the facilities to sell the additional stock, when conditions are considered opportune, for the redemption of the bonds and later the preferred stock.

MANY IN RACE TO LEAD ONTARIO CONSERVATIVES

(Continued on page 30)

their support to one or other of the strong phalanxes that have gathered behind Hon. W. H. Price, Hon. Leopold Macaulay and ex-Mayor William J. Stewart.

More Taxes, Fewer Members

One leading Conservative thus explained his adherence to Earl Rowe—"Rowe is an able man. So are the others. They are all able men. But Toronto constituencies have more voters in them to members elected than others outside. That fact was not changed when ex-Premier Henry reduced number of ridings to 90. Now Premier Hepburn says he will reduce the number still further and that he is not impressed by the plea that representation should be in accordance with population.

"I interpret that to mean that when he has finished redistribution Toronto's say in provincial affairs will be even less than it is now. It is very evident that Toronto and the larger cities are going to supply more and more of the taxes needed to run provincial as well as municipal and federal affairs. The idea about Toronto seems to be therefore one of 'more taxation and less representation.' The idea seems to be to take as much as they can get but to smother the squeal by giving the city fewer representatives.

"I do not know that there is anything we can do about it except to bow to the inevitable and to throw what strength we have in favor of some able and fair-minded man who comes from outside Toronto. Earl Rowe seems to me to be that man."

Macaulay Moving Up

At the same time word comes from outside Toronto that more and more delegates are showing a preference for Hon. Leopold Macaulay. At first Hon. W. H. Price, as the veteran statesman, seemed to be in line for first place. The fact that he had an intimate connection with organization lent color to that expectation. However, the failure to elect the Conservative government in 1934 is laid at his door as well as at that of Hon. George S. Henry because he took an active part in organizing. The younger Conservatives especially have shown themselves to be strong advocates of Hon. Mr. Macaulay. He is 48 years old but looks like a man in his 30's.

It may be that rural objections to a city-born leader and Premier have been exaggerated. Certainly, whether the new leader be a farmer, lawyer or business man, it is only common sense that he should know the province and all parts of it well. That can be said both of Hon. Leopold Macaulay and of Hon. W. H. Price. It will be difficult to make farmers believe that that is the case as yet of W. J. Stewart or of Wilfred Heighington. Heighington's record is exceedingly good except in a party sense. He has never been one to loop-the-loop at the word of command and even in the Legislature his failure on occasion to stand by his leader has alienated some of those who believe in standing by the party all the time whether it is right or wrong. He has attracted a following among younger men who admire him as brilliant, original and independent, but he is not expected to ring the bell when the final vote is announced.

Ferguson Will Be Back

It is a curious thing that the name of Hon. Howard Ferguson has not come forward more. It is significant that when he came home from London he left immediately on a tour around the world. Mrs. Ferguson's health was believed to be his chief concern in doing this as those who saw him before his departure report that he himself seemed well. The Financial Post is informed, however, that most of his close friends do not expect that Mr. Ferguson will take an active part in the convention. He will undoubtedly wield great influence if he cares to exert it.

He left Ontario undefeated and he returns with the prestige of a successful incumbency of the High Commissioner's office. But he has not said a thing one way or the other about the leadership. He will return one week before the convention. If he remains aloof from the contest, as he has done hitherto, events will probably turn out as outlined.

Hon. Geo. S. Henry will not be in the running, it is expected. He filled the role of premier in a difficult period and his party was defeated. He was one of the chief targets for Liberal missiles in the campaign. In the House since then he has led a spirited opposition. He has done well but both Hon. W. H. Price and Hon. Leopold Macaulay also kept up a lively and aggressive fire on government members and projects. The latter's plain-spokenness, wit and fighting spirit have done much to bring him to the fore. He has won laurels as a man who is a hard hitter and who yet can maintain an equable spirit and conform to all the canons of good taste in debate.

Denton Massey and Acres

What about dark horses? Hon. G. Howard Ferguson can be considered a non-entry for the time being anyway. Denton Massey is a dark horse and a fervid speech from the floor of the convention might do a great deal among men who all know him by repute. Against him may be held the fact he is "No. 1 handsome man" in the Commons in Miss MacPhail's list. But he will live that down.

Adam Holland Acres is recognized as a real entry. He is capable of making a great impression by a thunderous speech at the convention itself. He has many supporters and it is on record that his broadsides in the Legislature drew admiring comments from Premier Hepburn. The latter likes a hard hitter and said in one exchange across the house he believed Mr. Acres would be chosen leader of the Conservative party in the province.

Well, Mr. Acres is a farmer just as Earl Rowe is a farmer. He weighs more than 200 pounds of bone and muscle. His voice can be heard to the extremities of any assembly hall in the province. He is full of vim, ready for anything from making a speech to turning off rhymes to suit any occasion. His attack on Hon. Duncan Marshall and the latter's milk-fed stallions and bulls was all the more amusing because Adam Acres was walking in fields very familiar to him.

Separate Schools Chief Issue

What will the new platform be? On the positive side there is not much information.

At the moment it looks very much as though the Separate School question will be the chief issue on which the next provincial election will be fought. Premier Hepburn believes most residents of Ontario will think the change in the basis of taxation fair when they have experienced it awhile and that it will be a dead issue by the next election.

There is no such feeling among politicians in the Conservative camp. They have found that great animosity has been aroused and they realize moreover that there are only 744,740 Catholics in a population of 3,431,683.

The danger is that Ontario may divide on religious grounds in the next election. Hon. W. Earl Rowe himself told the annual meeting of the Conservative organization of central Ontario at Alliston recently that he believed the Hepburn separate school legislation should be repealed. Interviewed by the Toronto Telegram, he reiterated his stand and said he would be in favor of its repeal if he were chosen leader.

Each party will say the other side is stirring up religious strife. But at the moment it looks as if this religious issue will be the chief issue at the convention and be a deciding factor in the choice of leaders. The present government's "repudiation" policies in connection with Ontario Hydro's contracts with Quebec power companies will be an outstanding issue as well. Just what the Conservative party would do with Quebec power contracts if returned to power in the next election cannot possibly be explained in detail just now. Much will depend on the success of the fight now being conducted in court against Ontario Hydro and Attorney-General Roebuck by W. N. Tilley, K.C., on behalf of Ottawa Valley Power Co.

Sore On Dismissals

Wholesale dismissals by the Liberal government since assuming power will be very much to the fore.

Recent house-cleaning by Premier Hepburn in connection with the Department of Northern Development will not stop the Conservative critics. They will attack the whole administration of provincial resources and it is understood that Hon. Peter Heenan's department will come under keenest scrutiny.

The present government will be held up as one antipathetic to British connection. One will hear at the convention of the alleged discourtesies of Premier Hepburn and his government to the Lieutenant-Governor, Hon. Herbert Bruce, and through him to the Sovereign he represents. Much will be made of the sale of Ontario House which is said to have had a much greater effect in London than Canadians are aware of.

Speakers will attack the Liberal claims to have saved a great deal of money to the province. The sale of automobiles formerly used by Ministers and officials brought something around $49,000 and it will be said that since then the province has spent about $168,000 for taxicab and automobile fares.

Premier Hepburn will be accused personally of indulging in a vendetta against Toronto. The refusal to co-operate with the Canadian National Exhibition will be a case cited in point.

SHOW BOOST IN CAR PRICES DUE TO TAXES

(Continued from page 1)

done immediately in anticipation of the new lower duties, their own employes and the thousands of workmen employed by the parts manufacturers would suffer for want of work, faced the situation and immediately lowered the prices of their cars.

17½% Rate Unchanged

"The new tariff as recently brought down has not changed the 17½ per cent rate, which became effective January 1. It is, therefore, apparent that the public have been receiving the benefit of the lower tariff since early in November. There has been no increase in the price of automobiles as such insofar as our company is concerned. The additional cost which the customer now has to pay not only for automobiles but for practically every other commodity is entirely due to the increase in the rate of sales tax from six to eight per cent, and to the new excise tax of five per cent on the wholesale value of any of our products exceeding $650.

"In our readjustments of prices to the Canadian car buyers, in no case have we added the full amount of the additional tax."

Ford Price Figures

Increase of slightly over $20 in price of a Ford Tudor Sedan since the budget of May 1 is mostly attributable to increased sales tax. The decrease of approximately $10 in the price following Nov. 19 when the U. S.-Canada trade agreement was announced, is more than swallowed by the increased sales tax. This is shown below:

Consumer's Price of Ford Tudor Sedan

	Prior to Nov. 19, 1935	After Nov. 19, 1935	After May 2, 1936
	$	$	$
Retail	813.00	803.00	808.00
Sales tax	35.56	35.83	51.36
License	15.00	15.00	15.00
Price on delivery:			
Windsor	863.56	853.83	874.36
Toronto	884.56	874.83	895.36

W. R. Campbell's Explanations

Shareholders of Ford Motor Co. of Canada are told in the pamphlet report containing the address to shareholders by W. R. Campbell, president, at the annual meeting of April 27, why the average price of units sold in Canada is greater than that of units sold for export.

Vehicles exported, he states, are largely shipped in unassembled condition. When units are so shipped, the price of producing them, although increased by the cost of crating, is reduced to the extent of the direct and overhead costs of assembling and the value of any parts not shipped.

Why U. S. Prices Lower

Mr. Campbell thinks that a wrong idea has been created as to the difference between Canadian and U. S. prices, because prices quoted in national advertising in United States publications are usually base factory list prices which do not include bumpers, spare tires, and other items of standard equipment. The prices quoted do not include freight, delivery charges and taxes, which vary in different parts of the United States. The actual delivery price of a low-priced car, including full standard equipment, freight, and taxes, usually exceeds the factory list price in the United States by $100 or more.

Wholesale prices of Ford vehicles in Canada are about 23 per cent above corresponding United States prices. Of this 23 per cent, more than one-third is paid to the Dominion Government in duties and taxes on the costs of production. The remainder is accounted for by the higher costs of production and wholesale distribution in Canada.

DIVIDEND NOTICES

Royalite Oil Company Limited

Notice of Dividend No. 16 and a Special Disbursement of 25c. Per Share

NOTICE is hereby given that a regular dividend of Fifty Cents (50c.) per share and a Special Disbursement of Twenty-five Cents (25c.) per share have been declared payable to Shareholders of the Company of record as such on the books of the Company at the close of business on Friday the fifteenth day of May, 1936, and that the said dividend and special disbursement will be payable on or after Monday the first day of June, 1936. Dividend cheques will be mailed from the Head Office of the Company on or after the first day of June, 1936. The register of transfers will be closed from the close of business on Friday the fifteenth day of May, 1936, until the opening of business on Saturday the twenty-third day of May, 1936.

By Order of the Board,

T. E. BURNS, Secretary.

Calgary, Alta., 11th May, 1936.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Laprairie, Que.	Apr...	Banque Can. Nationale	4%	20-ser.	$29,000	99.26	4.09%
Sch. Mun. of Low South, Gatineau County, Que.	May..	Credit-Anglo Francais	5%	20-ser.	12,000	95	5.62%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Young Women's Christian Association of Halifax	Apr...	Irving, Breman & Co.	4%	1948	$65,000	99½	4.05%

PACEMAKER

IRONS and WOODS

are tested with accurate precision instruments. That is why Macgregor Clubs have "that-built-in-feel."

Buy a Macgregor and you have the best.

Beautiful Catalogue sent free on request.

Golf Balls—Yes! a Master Macgregor at $6.00 per dozen is a "honey for the money."

A. L. & W. SPORTS Ltd.

230 Bay Street Toronto

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In CANADA or ABROAD

Actual cash is unsafe for travellers to carry and yet is needed everywhere.

Travellers Cheques are safe for travellers to carry and serve for cash everywhere.

Travellers Cheques take the risk out of carrying money needed to pay hotel charges, shopping bills, tips and a hundred other items.

Used like cash by the rightful owner. Useless to thief or finder, if stolen or lost. Sold in $10, $20, $50 and $100 denominations.

For larger sums Letters of Credit are readily available.

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Essentials in the Summer wardrobe of every man . . . togs for golf, vacation and all activities where cool comfort is important.

Flannel Slacks

Made from imported English flannels . . . in greys, tans, cream.

$5.45 to $7.50

Flannel Blazers

Well tailored from fine English flannel in blue or brown. Single or double-breasted models.

$13.50

Tweed Jackets

Comfortable and very useful . . . well tailored from imported tweeds . . . in herringbones, Donegals and checked effects.

$12.50 to $16.50

Men's Shop — Main Floor

Holt, Renfrew & Company Limited

YONGE AT ADELAIDE

VISIT RUSSIA

20 days $189 up

From SOUTHAMPTON, June 27

EMPRESS of AUSTRALIA

FIVE CONNECTING SAILINGS

● Last year's popular cruise repeated—an opportunity to see the new Russia *with your own eyes!* Visit picturesque Oslo, Danzig and Stockholm, then spend 4 thrilling days in Leningrad. On the return half of the cruise, see Helsingfors, Copenhagen, Travemunde (Germany) and London.

Empress of Australia is one of the finest ships ever to cruise the Baltic. Excellent accommodations, service and cuisine. Deck fun, concerts, dances, talkies, out-door swimming pool.

Round Trip Atlantic Fare on application. If you sail from Quebec by the *Empress of Australia,* June 19, there is no extra charge for meals and berth aboard while in Southampton. Earlier sailings by Canadian Pacific liners give you more time in British Isles. Return at your leisure.

ALSO AN 18-DAY CRUISE TO RUSSIA ON MONTCLARE FROM SOUTHAMPTON JUNE 2

Cruise folder and full information from your own travel agent or

E. F. THOMPSON, Steamship General Agent, Canadian Pacific Building, Toronto

CANADIAN PACIFIC

"Canadian Pacific Express Travellers' Cheques . . . Good the World Over"

Ottawa Forced To Again Help Irrigation Co.

Parliament Gives $65,000 to Save Alberta Colonists

BRITISHERS LOSE

An astounding tale of millions of dollars lost principally by British investors in a colonizing enterprise in Western Canada was unfolded in the House of Commons recently when the western members debated the proposal to pay $65,000 to the Canada Land and Irrigation Co., Vauxhall, Alberta.

Not First "Touch"

The federal and provincial government have advanced money at different times to this private company now in receivership for the sake of the ranchers and farmers served by it. The investors, mainly Britons, who put in $15 millions before the war, are ready to abandon the enterprise, it is said. The money paid by the government goes to the receiver, D. W. Hayes, whose experience as a former manager is used to see that it is properly expended.

The Canada Land & Irrigation Co. was formed in 1911 to irrigate in all about 200,000 acres in Alberta, and about $15 millions has been spent to date in constructing the works whereby water from Bow River and from Lake McGregor is brought through a canal 110 miles long to supply many ranchers and farmers on 300,000 acres of non-irrigated land and about 250 farms representing 40,000 acres in the Vauxhall district, the total so far irrigated. The irrigable lands are entirely dependent on the continued operation of the project.

Was Real Estate Venture

Reviewing the ill-fated operations of the company, The Financial Post files carry a balance sheet of this company for the year 1921. Total assets were then £3 millions of which £250,000 were shown as current. Issued stock in £1 shares was £2.1 millions and there was £163,261 in 7 per cent prior lien debenture stock, £445,000 in 6 per cent debenture stock. Current liabilities amounted to £133,000.

At that time the company owned 532,894 acres of which 46,385 acres had been sold on the strength of its irrigation enterprise. The company sold land from 1918 to 1921 at from $60 to $74 an acre. It estimated that 200,000 acres could be irrigated. The company in 1921 lost $16,890 on its own farming venture and farmers in the district lost money through drought and depreciation in price of all farm produce. In recent years that condition has been repeated.

Sales literature issued by the land department of the company was copiously illustrated, showing fine homes and outbuildings and splendid crops of all kinds as well as pure-bred sheep and swine. Tables showed how the yield increased per acre with irrigation but both dry and irrigated farms were sold. With cereal prices available in 1920 the resulting picture would be quite a temptation to an intending immigrant. Dry lands were offered at from $15 to $30 an acre and irrigable lands from $40 to $75 an acre. The company stated that it had experienced men available to advise and aid the incoming settler.

Hopes and Disappointments

Newspapers in the southern part of Alberta welcomed the project in its early stages. They stated that the water supply was to be taken from the Bow River at a point 45 miles southeast of Calgary. By a main canal and reservoirs it was conveyed to the Vauxhall district. The company had two large storage basins, one at Lake McGregor with a capacity of 300,000 acre feet and the Little Bow reservoir with a capacity of 30,000 acre feet. It was claimed the latter reservoir, only 40 miles from the project, had sufficient storage reserve for the whole project of 200,000 acres for an entire month. The Irrigation Act required the company to deliver during the season from May 1 to October 1 enough water to cover each irrigable acre with 1½ feet of water. Lake McGregor reservoir alone could do that for a whole season, it was stated.

A Medicine Hat writer early in 1921 stated that settlers had been attracted from all over the continent as well as from the British Isles. The original promoter of the plan, J. D. McGregor, of Brandon, Man., had a farm in the neighborhood. Settlers were then growing wheat, barley, oats, flax, field peas, potatoes, field corn and alfalfa but it was prophesied that as well turnips, sugar beets, white shell beans and all varieties of garden truck would be produced.

In Receivership Twice

Early in 1934 a receiver was appointed to represent the debenture holders. The blame was placed on low crop prices, heavy freight charges, excessive taxation, costly labor, restricted credit facilities and the high cost of living. Land sales dropped and collections on land already sold became difficult to make. In the summer of 1927 the company resumed operations, having made arrangements with the province for taxation at about one-fifth the level formerly obtaining and with all creditors to clear off liabilities. For a time things went well and in 1928 the company opened up new lands to irrigation. But the depression and dropping crop prices put them again in a hole.

So once again come the appeals to the Dominion government and to Alberta. The province controls irrigation enterprises. The help given by the Dominion government is for capital expenditures to make the enterprise effective and not for cost of maintenance. Farmers must support that.

Financed From London

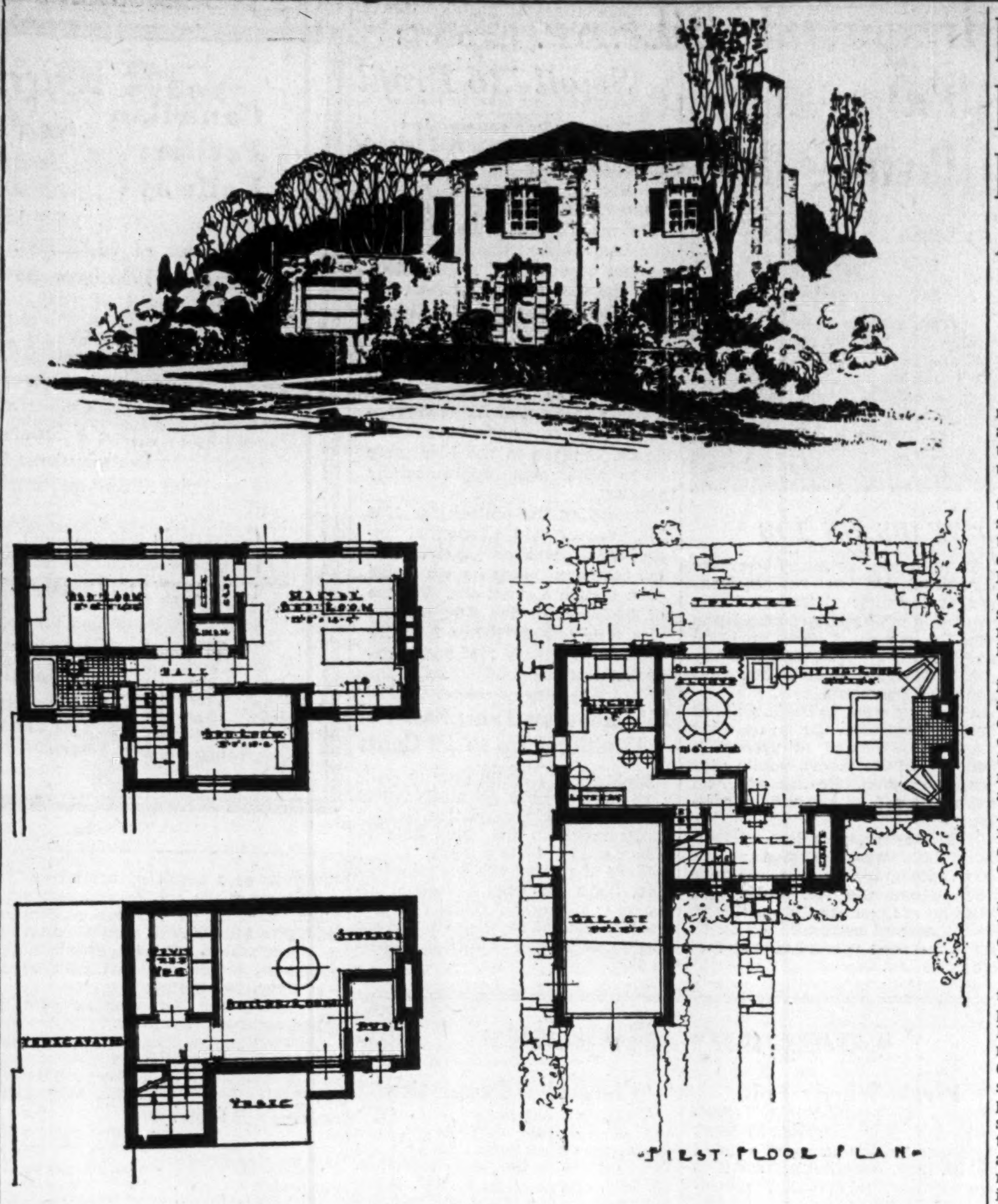
There are 600 farmers affected and western members claim it would cost many times the sum to give relief if this financial assistance were withheld. In 1935 the federal government advanced $104,000 to this company for the same purpose.

Hon. J. G. Gardiner, Minister of Agriculture, stated he had talked the matter over with the receiver of the company, D. W. Hayes, and had made it plain to him the government would provide the water largely because of the 360 farmers located along the waterway from the Bow River down to the actual works proposed and of the need of maintaining the 250 farmers on the irrigated land somewhere if the water was not made available.

Issue is Simple One

Rt. Hon. R. B. Bennett gave a résumé of previous payments during the war and later. "Every time the issue is the simple one, shall we save the people on these lands from complete disaster, or shall we make small expenditures to enable them to exist—because that is all it means, unless they can get some crop. They must have water even to exist and the only way they can get water is through Lake McGregor and a canal 110 miles long . . . The laudable purpose the minister has in mind is, first, that of putting the ditches in such a state of repair as would enable the laying of water through laterals to the irrigable lands which are settled by 250 irrigation settlers; and second, to make water available for stock." The advance to the irrigation company was but one item in a total of $288,390 asked for western conservation works.

Another proposal passed at Ottawa was to give $121,187 to construct a dam across the Frenchman River in Saskatchewan to get water to irrigate 5,580 acres of land. A sum of $63,080 is passed for the Eastend irrigation project, at Eastend, Sask. Smaller sums were voted for other projects.



ANOTHER WINNING HOUSE DESIGN

The above design by Harold Greensides, M.R.A.I.C., of Toronto, carried off second prize in the recent architectural competition sponsored by the Dominion Housing Act Administration. Like the first prize winner and the other second prize design, this one also has the garage in the front. It is designed for a 40-ft. lot, and is of almost 17,000 cubic ft. interior. The cost, like all the winning houses in the competition, would be around $5,000 including average lot, depending, of course, in what part of Canada it was to be erected. This house as the other winners in the competition is designed to make best use of local materials, and can be built of wood, or faced with brick, stone or stucco.

Inter-City Baking Co. Calls in $200,000 of Bonds

From Our Own Correspondent

MONTREAL.—Inter-City Baking Co. called for redemption on July 1 next at 103¼ and accrued interest, $200,000 par value of its series "A" 5½ per cent first mortgage bonds. Payment will be made in Canadian funds.

With this redemption, outstanding funded debt of the company will be reduced to $1,247,500 as compared with the original issue of $1.6 millions made in October, 1928.

Fraser Cos.' Log Drive Handled Under Difficulties

From Our Own Correspondent

MONTREAL.—Log driving conditions on the northwest Miramichi River have been unsatisfactory this spring and Fraser Cos. are reported to be experiencing difficulty in getting the cut out of the woods. However, it is expected the work will be completed before the middle of this month.

The company's mill at Chatham Head is operating on two eight-hour shifts.

Saint John Civic Hydro Reports More Consumption

From Our Own Correspondent

MONTREAL. — Saint John Civic Hydro reports an increase of 100,000 kw.h. in electricity consumption during March as compared with the same month last year. Total consumption last March was 1,188,040 kw.h., as against 1,083,411 for March, 1935.

Gross revenue received by the civic system in March, 1936, was $31,047, while the net surplus was $1,530.

Higher Prices For Newsprint Loom at Coast

Anglo-Canadian Head Also Foresees Gradual Improvement

B. C. TALKS $45

From Our Own Correspondent

VANCOUVER.—Higher prices for newsprint are inevitable next year and $45 is not an unreasonable figure, in the opinion of British Columbia mill operators.

The $1 advance put into effect this year does not begin to represent the increased cost of production. A. E. McMaster, vice-president and general manager of Powell River Company, largest producer of newsprint on the Pacific coast, says costs have more than quadrupled the amount of the price increase.

Even though the newsprint mills in British Columbia have a distinct advantage over the east on account of tidewater location, access to various Pacific markets and comparatively low capitalization, they have found the present low level of prices a big obstacle to complete recovery. All mills have been operating at full capacity for months, but prices offer small opportunity for a margin of profit.

Markets generally show improvement. Pulp exports from this coast will show substantial gains this year owing to the cessation of the trade war with Japan.

Exporters report that for the first time in several years German competition is affecting sales in the Far East. About seven years ago German paper was finding its way to China and South America in considerable volume and selling at prices that B. C. mills found impossible to meet. Then the competition faded away, only to return again a few months ago. German newsprint manufacturers are offering special inducements to buyers in China and their subsidized shipping assures low-cost transportation. Lax customs regulations in many Chinese ports make German paper a bigger factor than it would otherwise be from the standpoint of exporters in this country.

Negotiations for establishment of a new pulp and paper mill at Prince Rupert are drifting rather slowly. The chief sponsors of the enterprise are in the east at present negotiating financial details.

Better Says Cowley

From Our Own Correspondent

MONTREAL. — A gradual improvement in price which will in due course tend to a definite recovery in the newsprint industry, leading eventually to sufficient profits being earned to pay something on the preferred and common stocks of the various companies, is the optimistic view held out by John Cowley, chairman of "The Daily Mirror" and president of Anglo-Canadian Pulp and Paper Mills, in his speech at the annual meeting of shareholders of the Daily Mirror Newspapers Ltd.

"There is," he said, "still a fair margin to build up before the maximum output of newsprint is reached in the industry in Canada, and when this margin is filled, it behooves publishers in the U. S. A. to look to the future and protect their supply.

"Too many American publishers are relying upon the low price and the present plentiful supply of newsprint paper, but as time goes on and the general recovery in the U. S. A. continues, it is anticipated that many publishers who have not protected themselves are likely to be faced not only with difficulty in securing their requirements, but also with the prospect of paying a much higher figure than they would have been called upon to pay, had they looked ahead and made definite arrangements for their supply at a fair price from the manufacturers."

Cool by Steam On Queen Mary

One of the three giant cooling plants on the new Queen Mary is to be operated by steam. This is the first boat to use such a process though steam is at present used for cooling on a few Canadian and American railroads.

The new ocean monster which makes her maiden trip this month will be completely air-conditioned, total capacity in this respect being equal to the cooling coming from the melting of half a million pounds of ice every day.

Donnacona Paper Co. Plant Assessment Fixed

From Our Own Correspondent

MONTREAL.—Assessment of the Donnacona Paper Co. newsprint mill at Donnacona, near Quebec City, has been increased from $1.3 millions to $2 millions by the Public Bills Committee of the Quebec Legislature. The committee also agreed to continue for five years the agreement between the company and the Municipality of Donnacona, under which the company paid 25 per cent of the assessed taxes.

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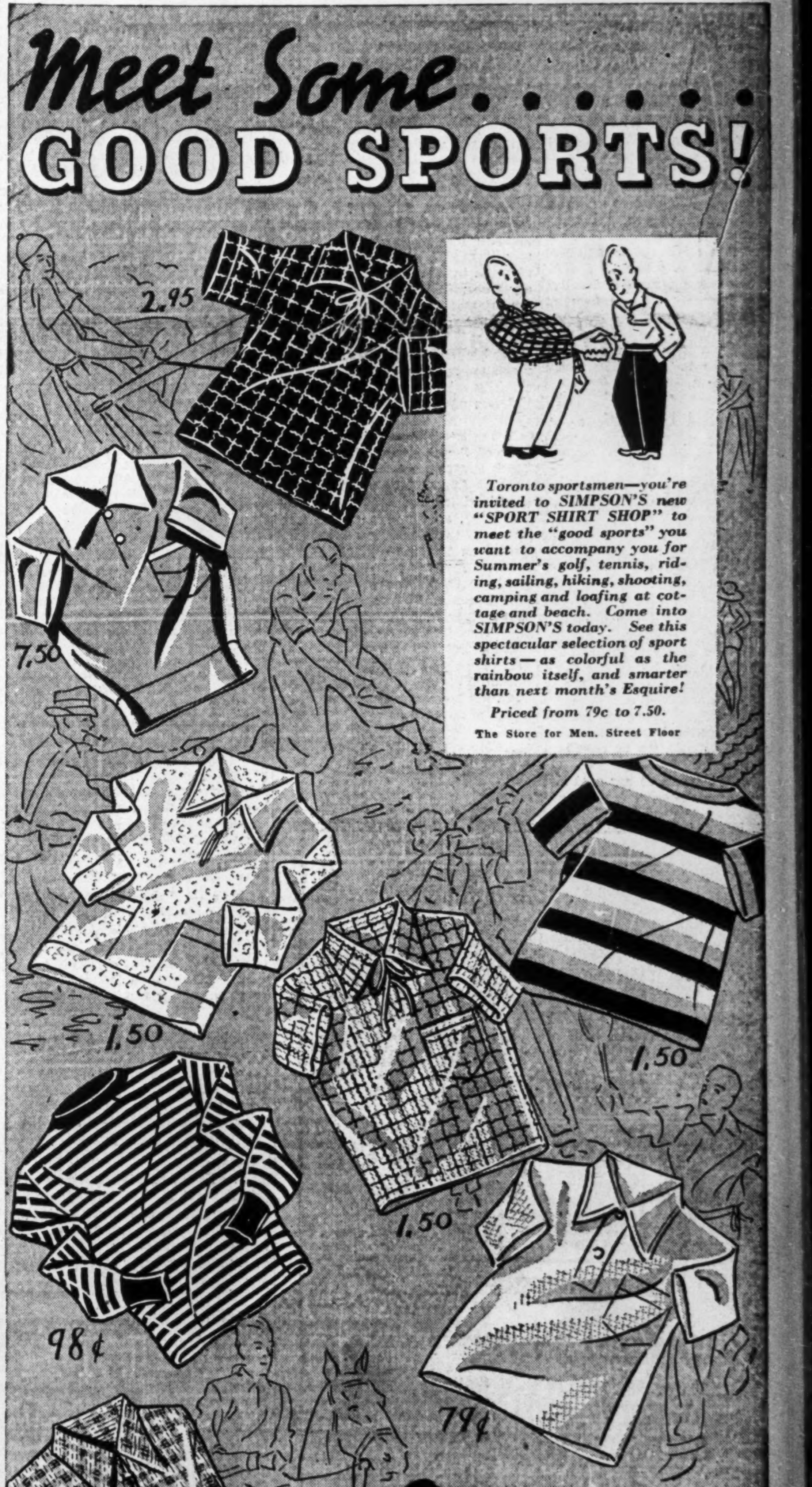

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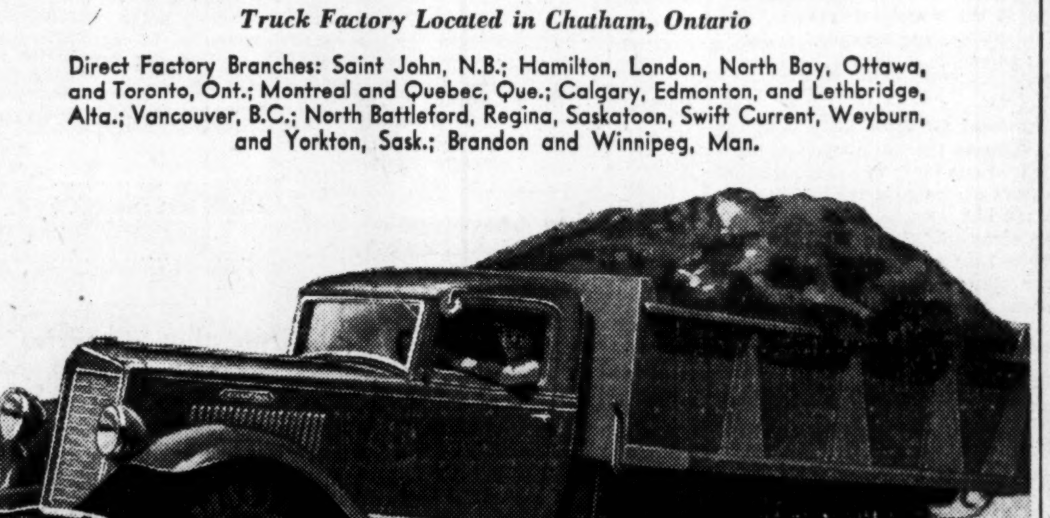

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nvestment Trends

Wiping Out of '36 Rise Viewed As Constructive

ritish Commentators Advise Purchase of Stocks With Careful Selection, But Chart Readers Look For Further Unsettlement

British investment commentators take an optimistic view of Ameri-an stocks, but advise careful selection. The optimism is based on the act that the entire rise from the beginning of 1936 has been wiped out y recent recessions and on the belief that American recovery will con-inue. Their views would be applicable to Canadian stocks, but many ritish investors are sour on Canada at present.

Political campaigns in the United States will grow more bitter after une nominations and are consequently expected to keep investment narkets unsettled.

Inflation continues to grow within Europe, but is concealed by con-rolled foreign exchange rates. The poverty of Europe is illustrated by taly's inability to finance its Ethiopian "empire." Even though the crisis f the franc is overcome, French finance will remain a potential source f disturbance.

Progress along the recovery road continues, but some seasonal slack-ess is now believed to be in sight.

here We're At

AT THEIR lowest levels on the recent decline, stock averages ere down more than 11 per cent om the highest this year, as shown elow:

Average For Industrial Shares

	Exchange Indices Toronto	Montreal	Dow-Jones N.Y.
High	143.5	78.4	162.0
cent low	126.3	69.7	143.7
cline pts.	17.2	8.7	18.3
cline %	12.0	11.1	11.3

The inter-relationship of New ork and Canadian markets is illu-rated by the similarity of the per-ntage decline.

In rallying from their recent lows, e averages touched those peaks:

llies to	129.9	72.2	149.8

These latter figures represent vels at which there is resistance to dvance. The recent lows of 126.3, .7 and 143.7 represent levels of re-stance to further decline. If and hen these lower points are broken, rices would be expected to settle own even further, perhaps as much s 10 per cent. There still remains e possibility that the wiping out f all this year's advance may have immed prices nearly enough to stablish a bottom. But chart readers ill look for lower levels before ummer is out.

* * *

arket and Policy

FROM the investor's viewpoint, it should be remembered that it is arely possible to buy at the very ottom. The current movement is ne of temporary decline, but in a arket that still appears likely to esume the longer-term upward rend. Another 10 per cent may ome off the general level of share rices, but it might not bring down he best stocks very much.

For the present, the conservative vestor is being advised to wait nd see how low prices will go. Vhen indications are more apparent hat a bottom has been reached, it ay be time to buy well-selected ommon shares.

* * *

nflation, A Definition

LEONARD P. AYRES, president of the Cleveland Trust Co., has e-entered the spotlight with his ooklet, "Inflation." He says there re no effective hedges against in-lation, and that inflation "of the kind discussed" does not appear to e a probable development for 1936. 937 or 1938.

Col. Ayres may be correct as far as e goes, but weakens his conclusion y those words, "of the kind dis-ussed." Possibly he would not de-ine inflation as a rise of 50 to 100 er cent in prices as do other econ-mic authorities. It may merely be difference of definition. Recently here has been a tendency for the ost of living to rise, and this may e termed inflationary or reflation-ry.

In case of, say, a 50 per cent rise of prices, there may well be adequate hedges against inflation in participating or convertible bonds and preferred shares, investment trust securities, common stocks, real estate and so on. It is true that in the great European inflation there was no completely satisfactory hedge against the consequences, but it is equally true that some people held assets that were much better than others. Even a partial hedge is better than none at all.

* * *

Threat to Oils?

UNDOUBTEDLY, if the device becomes available to the public, the Pogue carbureter, said to give 200 miles per gallon of gasoline, would deal a blow to oil and gasoline companies, at least temporarily, and perhaps for years. The investment consequences would be worldwide. Misapplying Shakespeare, "To be or not to be, that is the question."

The fact that oil shares have shown no particular reaction to the sensational claims for the Pogue invention, which has been in process for several years, is a scoff at the scheme. Still, who knows?

* * *

Franc and Mines

UNDOUBTEDLY the possibility of another rise in the price of gold has helped give impetus to the boomlet in mining shares. The view is now put forth that devaluation of the franc would not necessarily mean an immediate wave of profit-taking by French investors in British and U. S. securities. Sooner or later, however, devaluation of the franc would be expected to weaken security markets abroad. Eventually it might be an influence for strength in allowing French recovery free rein and setting the stage for international currency stability, at least on a tentative basis. Gold shares will continue in high esteem while higher prices for the precious metal appear possible, but currency stability might simply lead to sluggishness of gold stocks.

* * *

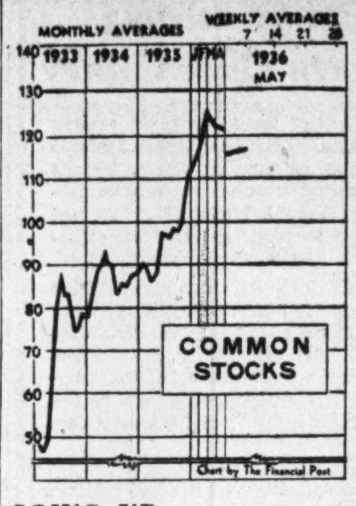
Net collateral borrowings of members of the Montreal and Toronto Stock Exchanges totalled $46.2 millions at April 30, compared with a combined total of $43.3 millions at March 31, an increase of $2.9 millions. Of this rise, $2.4 millions occurred in Toronto and $500,000 in Montreal. The increase may be partly attributed to buying by "traders" as distinguished from investors in the course of the April decline. The increase is comparatively small, and the fact is unchanged that dealings of the past year have been financed with cash or profits. However, the increased borrowing is not a sign of strength.

* * *

A feature of the current stock market is absence of volume. Bids and offerings have been "thin." One reason is that speculation, and trading by company officials, have been restricted in the United States. And Canadian stock markets are frequently noted for inactivity. This situation tends to make swings less pronounced and violent, but also tends to reduce liquidity of common shares.

* * *

An interesting rule of thumb is used by expert investors in considering the price advantage in a coming event. If, for instance, they know or suspect a favorable development, they are inclined to buy the shares concerned. If, however, they note that an unexplained rise of the particular shares has already occurred, they stay out. The reasoning is that the rise has already anticipated the event and that realization will not bring profits and may mean losses. The recent drop of Union Gas shares when the dividend was declared illustrates a price level that was discounting a dividend. The experts want the odds heavily in their own favor before taking a chance on a quick move and want to make sure that the good news hasn't been known to others.



GOING UP

Common stock prices were rising in the first week of May from the lowest points touched toward the end of April. Hence in plotting the Dominion Bureau index it has been necessary to show a break between the average for the whole of April and the movement for the first week of May. Comparative indices appear on this page.

National Grocers Pays on Arrears

$3.50 Dividend Cuts Total to $31.50 Per Preferred Share

Payment of $3.50 a share on the preferred stock on account of dividend arrears is to be made June 1 to shareholders of record May 23 by National Grocers Co., Toronto. This will reduce arrears to $31.50 a share.

Regular quarterly dividends are also being paid on the preferred, the next payment of $1.75 a share being due July 1.

It is understood that earnings were satisfactory in the fiscal year ended March 31, 1936. Estimates place earnings at the equivalent of 50 to 60 cents a share on the common after allowing for one year's dividends of $7 a share on the preferred.

As long as there are arrears on the preferred, of course, dividends cannot be paid on the common shares. For this reason, earnings are not strictly applicable to the common.

The last preceding payment on arrears of preferred dividends was $3.50 a share distributed May 1, 1935.

Alberta Talks B.N.A. Clash On Sales Tax

Attempt to Levy Sales Tax on Mail Order "Imports" Cause of Trouble

OUTSIDERS PROTEST

From Our Own Correspondent

EDMONTON.—Clash between the British North America Act and Alberta's new retail sales tax act is regarded here as virtually certain as the result of a clause requiring that anyone buying taxable commodities from outside the province must declare such "imports" to the provincial government and pay the two per cent tax.

Business houses active in Alberta alone are favoring this provision, of course, but large interests doing inter-provincial business are being counted upon to challenge it.

Hit Mail Order Firms

If that clause is held to be constitutional, it is declared, the mail order business of large eastern organizations will be hit hard. The protest is expected to be based on the claim that the B.N.A. Act specifies that inter-provincial trade cannot be taxed as such, whereas imposition of a tax on provincial "imports" is equivalent to setting up a tariff wall.

At the same time it is pointed out here that the provincial government may have grave difficulty in enforcing collection of this tax, since it has no control or check over the post office and therefore will have a problem in uncovering persons who do not pay taxes voluntarily on their mail order imports.

Host of Problems

The new tax is creating many problems within the province itself. Passed at the recent legislature session, it became effective on May 1 and found its administrators unprepared for it. Official desks still are piled high with enquiries on examples for which government men are trying to find solutions. Question of whether materials which are later to be processed and taxed are themselves taxable, for instance, still is unsettled.

The act under which this tax is being levied is "temporary," to be effective only until such time as the province may get the right under B.N.A. Act amendments to levy "indirect" taxation, through manufacturers or wholesalers, or else have the Dominion collect the provincial sales tax at the same time as the Dominion sales tax. When that time arrives, another act already passed will replace the present law.

Many articles of food, beverages, liquor and tobacco, farm equipment, grains and hay, and certain other specified commodities and public purchasers such as the government are exempt from the new tax. Clothing, automobiles, houses and even building materials are taxable, however. No services, as distinguished from "goods," are taxed.

Port of Spain Refuses To Pay Bill for Service

From Our Own Correspondent

MONTREAL. — Refusal by the Mayor of Port of Spain, Trinidad, to sign a cheque for the city's monthly electric bill with the Nova Scotia-owned Trinidad Electric Co., has added further confusion in the negotiations looking toward the transfer of control of the property to the municipality.

Some time ago an arbitration board set a purchase price of $1.6 million on the company's assets. Delay in transfer to the city has been caused by the company's appeal to the Privy Council claiming an additional amount toward the original cost of acquisition and other expenses.

Investment Notes

Nickel—Sale of 700 International Nickel, reducing holdings to 1900 shares is reported for the first quarter of 1936 by General Public Service Corp., U.S. investment firm.

* * *

Banks — Reduction of loans on government-owned wheat lowers another source of bank revenue. However, banks take the long-term view that it is healthier to have the wheat situation in hand than to keep loans high and grain hoarded.

* * *

Paving — New Brunswick is calling for tenders for hard-surfacing 420 miles of highways this year and next. Direct or indirect benefits may ensue for Dominion Tar, Standard Paving, Dufferin Paving.

* * *

George Weston — Although the plant at Passaic, N.J., is being expanded, it is believed doubtful whether the company will show a large rise of earnings this year. Any improvement is likely to be shown as gradual, including saving on preferred dividends from the recent refinancing.

* * *

C. P. R.—Sir Edward Beatty's suggestion that it may be possible to pay preferred dividends in the near future caused a rise of the common shares. Genuine reason for some firmness appears in the gain of $200,000 in net earnings in March, making a total gain of over $700,000 for the first quarter, compared with the 1935 quarter.

* * *

Royalite—Latest semi-annual dividend declaration, 50 cents "regular" and 25 cents a share "special," defines policy, and apparently stabilizes payments at $1.50 a share annually.

* * *

National Grocers—Little was the reaction to the declaration of payment of one-tenth of the $35 a share arrears on the preferred. The preferred has risen slightly above $130, the common fallen below $6. Both stocks have been inclined to strengthen whenever reports circulate of plans to eliminate the arrears.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
	15	6	5	5	11	18	9	89	/ 23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.2	140.3	194.8	55.4	122.7
April	131.7	17.6	91.0	244.5	71.3	150.8	131.9	194.2	53.1	121.3
Weekly Figures, 1936:										
May 7	125.9	16.9	86.4	236.1	67.4	148.4	123.5	188.0	51.4	116.8

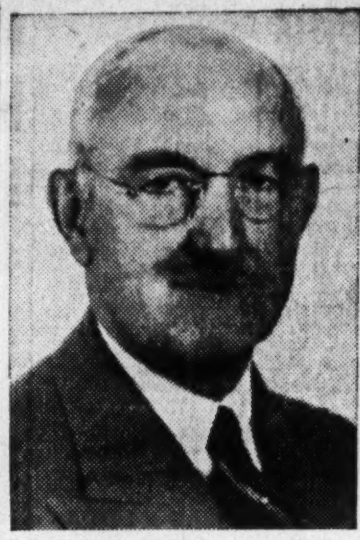
*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
May 12	128.25	132.62	128.59
May 11	126.86	132.60	127.83
May 9	128.44	134.18	129.32
May 8	128.50	133.40	128.92
May 7	128.94	133.42	129.36
May 6	129.75	135.55	129.62
Month ago	135.12	130.31	137.44
Year ago	107.12	112.59	98.01
High, 1936	143.48	135.81	144.33
Low, 1936	125.71	115.97	125.30

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
May 12	68.2	71.0	70.1
May 11	68.3	71.2	70.3
May 9	68.6	72.1	70.9
May 8	68.8	72.2	71.1
May 7	68.9	72.1	71.1
May 6	68.5	72.1	80.9
Month ago	70.4	75.5	73.8
Year ago	56.5	59.8	58.7
High, 1936	73.4	78.4	76.6
Low, 1936	67.2	69.5	68.9



50 YEARS ON JOB

C. B. Robinson, secretary-treasurer of Penman's Ltd., was recently honored at a dinner at Toronto upon completion of 50 years of association with the company. Mr. Robinson started April 27, 1886, as office boy with D. Morrice, Sons & Co., sales agents for Penman's.

In 1911, he went to Paris, Ont., as secretary-treasurer. He was elected mayor in 1917, and at present is chairman of the town's public utilities commission. He has taken an active interest in community welfare.

R. B. Morrice, president of Penman's Ltd., was chairman at the recent honorary dinner. Among those present were A. O. Dawson, president of Canadian Cottons; H. W. Lundy, general manager, and B. K. Gunn, assistant general manager of Penman's Ltd.

I.P.&P. Expects Small '36 Profit

From Our Own Correspondent

MONTREAL.—Estimated loss of International Paper and Power Co. for the first quarter of 1936 was $450,000, according to a statement made by H. R. Weaver, vice-president and treasurer, at the annual meeting of stockholders. For the first quarter of 1935, the loss after all charges, was $1,068,996.

The company met with some severe handicaps during the first three months this year, notably a costly accident at its Newfoundland property and the March floods. Damage to the Livermore Falls dam was approximately $200,000.

Regarding the outlook for 1936 Mr. Weaver said substantial improvement was anticipated, and the company should have a profit, even though a small one. Volume of business for the first quarter was considerably better than for the first quarter of 1935 and is expected to continue.

All-Canadian Trust Shares Dividend Up to 19 Cents

Dividend of slightly over 19 cents a share was paid on all-Canadian Common Stock Trust shares on May 1. Payment on the same date in 1935 was 17½ cents a share.

Since the trust was organized in 1930, there has been a gradual increase in payments. Total distributions amounted to 30 cents a share in 1933; 32½ cents in 1934; 34.1 cents in 1935.

Company Reports

Piggly-Wiggly Ltd.

Profits of Piggly-Wiggly (Canadian) Ltd., now controlled by Safeway Stores, in the six months ended Dec. 31, 1935, were not sufficient to cover semi-annual dividend requirements of $29,267 on the company's 8,345 7 per cent preferred shares. Net profit for the period amounted to $9,509. The report for the 6 months ended Dec. 31 was necessitated by a change in the end of the company's fiscal year from June 30 to Dec. 31. In the year ended June 30, 1935, net profit amounted to $1,244.

No dividends were paid on the preferred stock during the 6-month period reviewed by the report.

During the period one new store was opened by the company. At the end of the year the company was operating 69 stores and 38 markets.

Income and Surplus Account
Six Months Ended Dec. 31, 1935

	$
Oper. profit	42,773
Less: Expenses	37,501
Net from oper.	5,272
Add: Other income	6,548
	11,820
Less: Income taxes	2,311
Net income	9,509
Prev. surplus	*1,348
Balance carried forward	8,161

*Deficit.

Working Capital
As at Dec. 31, 1935

	$
Current assets	281,774
Current liabilities	125,624
Working capital	156,150

Canada Dry Ginger Ale

Canada Dry Ginger Ale, Inc., had a loss of $177,088 for the quarter ended March 31, as compared with a profit for the same period of 1935.

The cost of the adjustment of values of floor stocks because of the price reduction was $203,000. Advertising appropriation was increased also in order to announce the new reductions to the public in the United States.

As a result of the reductions there was a loss also for the year ended March 31, 1936, as compared with a surplus of $276,501 for the preceding 12 months. Gross profit was greater but increased expenses made the differences.

Consolidated Net Income
For 3 Months Ended Mar. 31

	1936 $	1935 $
Gross profit	1,032,149	1,168,556
Less: Expenses	1,103,964	998,054
Profit from oper.	*71,815	170,502
Other income	32,153	14,998
	*39,662	185,500
Other deductions	82,862	65,217
Depreciation	49,306	48,083
Interest	730	544
Income taxes	4,478	10,785
Net income	*177,088	60,871

*Loss.

12 Months Ended Mar. 31

	1936 $	1935 $
Gross profit	4,908,584	4,841,272
Less: Expenses	4,610,829	4,317,486
Profit from oper.	297,755	523,786
Other income	164,669	103,002
	462,424	626,788
Other deductions	296,127	103,614
Depreciation	195,342	196,348
Interest	9,889	8,087
Income taxes	45,745	42,239
Net income	*84,679	276,501

Clarendon Apartments

Earnings of Clarendon Apartments Ltd. available for bond interest in the year ended Nov. 30, 1935, amounted to $15,312. After payment of all expenses, including $12,037 on account of bond interest, there was a surplus of $2,943 of revenue over expenditures. Interest requirements are $33,705 annually.

Interest on the company's bonds has been paid to June 15, 1932, a final payment on account of Coupon 11 having been made on Dec. 15, 1935.

At the present time the building is about 85 per cent rented. The company reports that if occupancy should rise to 90 per cent, it should be able to earn operating expenses, taxes and half the bond interest. An increase in rents should further improve the position of the bonds.

Income & Expenditures
Year Ended Nov. 30, 1935

	$
Receipts:	
Balance brought forward	1,383
Rentals	40,331
Int. & misc. income	88
Total income	41,802
Less Disbursements:	
Oper. exps. & taxes	22,070
Gen. & Admin.	199
Rental exps.	2,773
Equipment	65
Bond interest	12,037
Bond expenses	332
Balance forward	4,326

Clarendon Properties

Clarendon Properties Ltd., owners of Claridge Apartments, Toronto, report earnings available for bond interest in the year ended Nov. 30, 1935, amounted to $17,137. After a payment on account of bond interest of $10,500 and bond expenses of $358, there was a balance of $6,279 carried forward. Bond interest requirements total $49,000 annually.

Bond interest has been paid to Nov. 1, 1931, the final payment on Coupon No. 8 having been made March 1, 1936.

Income & Expenditures
Year Ended Nov. 30, 1935

	$
Receipts:	
Rentals	44,347
Int. & misc.	68
Total income	44,415
Less Disbursements:	
Overdraft Dec. 1, 1934	893
Oper. exps. & taxes	22,832
Gen. & admin. exps.	186
Rental exps.	2,797
Equipment	570
Bond interest	10,500
Bond exps.	358
Balance forward	6,279

Ont. Tobacco Plantations

Reduction of earnings for Ontario Tobacco Plantations, for the year ended March 31, 1936, is attributed entirely to hail damage. Hail insurance was carried and $6,502 was received on this account but was insufficient to compensate for the total loss, according to president J. F. MacKay.

A dividend of 3 per cent on preferred shares is being paid May 15, 1936, on account of arrears since 1931. Mr. MacKay states that increase demand for Canadian flue-cured tobacco and orderly marketing methods give the company hope that better years are just ahead.

Income and Surplus Account
Year Ended March 31

	1936 $	1935 $
Operating revenue	62,833	74,178
Less: Oper. exps.	27,299	22,507
Operating profit	35,534	51,671
Less: Adminis. exps.	12,415	13,147
Income tax	1,143	......
Sharemen's bal. w/o	......	1,270
Depreciation	18,871	19,223
Add: Sundry revenue	2,896	1,674
Net profit	6,001	19,705
Less: Pref. div.	12,438	......
Surplus	†6,437	19,705
Add: Prev. surplus	12,729	†4,715
Adjustments	788	239
Disc. on mtge. disch.	......	469
Less: Inc. tax adjusts.	299	2,937
Loss on equip. sold	......	32
Surplus forward	6,781	12,729

†Deficit.

Working Capital

	1936 $	1935 $
Current assets	64,736	67,252
Current liabilities	4,657	12,417
Working capital	60,079	54,835
Ratio	13.90—1	5.42—1

Robert Gair Co. Inc.

Robert Gair Co. Inc., of New York, reports a profit of $80,055 before providing for interest on income notes and income taxes, for the first quarter of 1936. Interest on the income notes and income taxes amounts to approximately $60,000, so that net profit for the period was $20,055.

Income and Surplus Account
Three Months Ended March 31

	1936 $
Net earnings	273,665
Less: Depreciation	178,310
Interest on bonds of subsid.	5,550
Divid. on pref. stk. of subsid.	9,750
Profit*	80,055

* Before interest on income notes and income taxes.

Dominion Foundries

Reflecting improved sales throughout the entire line of the company's products, Dominion Foundries and Steel Co., Hamilton, more than doubled its profits in 1935, compared with 1934. Net profit for 1935 amounted to $192,632.

Improvement in earnings has continued throughout the first quarter of 1936, the annual report states.

Working capital declined during the year as a result of capital expenditures made on the company's plant, bank loans increasing from $25,000 to $199,983. In his statement to shareholders, C. W. Sherman, president, points out that $450,000 was expended during the year on new equipment for making cold rolled steel and tin plate.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Net earnings	495,653	319,340
Add: Profit on bonds	......	1,703
	495,653	321,043
Less appropriations:		
Depreciation	190,662	200,764
Salaries & dir. fees	34,037	*400
Legal fees	6,750	......
Reserve for taxes	51,571	15,379
Bond interest	......	5,807
Net profit	192,633	98,693
Less pref. divids.	72,000	28,796
Surplus for year	120,633	69,897
Add: Previous surplus	845,750	775,853
Surplus forward	966,383	845,750

*Executive salaries deducted as operating expense in 1934.

Working Capital
As at December 31

	1935 $	1934 $
Current assets	914,985	682,640
Current liabilities	583,381	211,554
Working capital	331,604	471,086

Viceroy Manufacturing Co.

Viceroy Manufacturing Co., West Toronto rubber goods firm, reports increased sales and earnings for the year ended Feb. 29, 1936. Sales totalled $808,540, an increase of over 8.5 per cent over the preceding year. President H. C. Jefferies reports to shareholders that the company extended and strengthened its competitive position in both Canadian and English markets. He points out that bonds were reduced to $244,000 from $258,000 in the year, and that additional bonds are held for sinking fund.

Income and Surplus Account
Years Ended February 28

	1936 $	1935 $
Net earnings	126,009	71,197
Less: Deprec.	49,024	48,635
Bond interest	16,014	17,128
Inc. tax paid	4,218	208
Inc. tax res.	......	857
Officers' remun.	33,372	......
Net profit	23,381	4,369
Add: Prev. surplus	28,008	23,639
Balance forward	51,389	28,008

Working Capital

	1936 $	1935 $
Current assets	321,245	296,032
Current liabilities	161,813	165,606
Working capital	159,432	130,426
Ratio	1.98—1	1.78—1

Canadian Pacific Railway

C. P. R. earnings available for fixed charges for year ended December 31st, 1935 totalled $26,992,022 compared with $24,159,937 of such charges—an excess of $2,832,085. Earnings for the first quarter of 1936 have shown improvement over the similar period of 1935.

Canadian Pacific Railway Company
Convertible, Non-Callable
3½% Collateral Trust Bonds
Due February 15th, 1951
Denominations: $1,000 and $500.
Price: 96.50 and interest, yielding 3.81%

Convertible into ordinary shares of the Company in ratio of 4 shares for each $100 Bond from February 15th, 1937 to February 15th, 1944 inclusive.

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COTTON FABRICS AND YARNS

DOMINION TEXTILE
COMPANY, LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

SEALED TENDERS INVITED FOR

$6,144,000
City of Toronto
2% - 2½% - 3%
Serial Instalment Debentures
(Interest and Principal payable in Toronto only)

Sealed Tenders endorsed "Tender for City of Toronto Debentures," addressed to Samuel McBride, Esq., Mayor and Chairman of the Board of Control, will be received by the undersigned until 12 o'clock noon (Eastern Daylight Saving Time) Wednesday, May 20th, 1936, for the purchase of:

(a) $2,872,000.—2%—serial instalment debentures, dated June 1st, 1936, maturing 1937-1941, and issued under two City by-laws (approximate average maturity, three years).

(b) $2,283,000.—2½%—serial instalment debentures, dated June 1st, 1936, maturing 1937-1946, and issued under ten City by-laws (approximate average maturity, five and one-half years).

(c) $989,000.—3%—serial instalment debentures, dated June 1st, 1936, maturing 1937-1956, and issued under five City by-laws (approximate average maturity, eleven years).

Tenders will not be received for any part, but must definitely specify ONE PRICE FOR THE ENTIRE ISSUE OF $6,144,000.

The favourable opinion of the legal firm of Messrs. Clarke, Swabey & McLean, Toronto, as to the validity of the issue will be engraved on the debentures.

Full details as to the purposes for which bonds are issued and amounts maturing annually, together with financial statement of the City, will be furnished on application.

The debentures are in coupon form, are payable both interest and principal in Toronto, and are of the denomination of $1,000.00. Provision is made for registration of principal only.

Engraved debentures will be ready for delivery Monday, June 1st, next, and payment is to be made at the office of the undersigned on that date.

A certified cheque, payable to the undersigned, for two per cent. of the par value of the bonds tendered for, must accompany each tender.

Tenders containing conditions varying from above will not be considered.

The right is reserved to reject any or all tenders.

GEO. WILSON,
Commissioner of Finance.

Treasury Department, City Hall, Toronto, Canada, May 12th, 1936.

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Reduces Noise
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Our nation-wide organization is available to investors for discussion of their investment problems, and to Canadian corporations desirous of doing any financing or refunding operations.

NESBITT, THOMSON AND COMPANY LIMITED
355 St. James Street West, Montreal

Bond Markets

Dominion Bonds Rise As New Issue Expected

The Financial Post Index Advances to Highest Point in Over a Year — New Toronto and Mimico Bonds Strengthen

New Dominion government financing in the near future, either on its own account or on behalf of the C.N.R., is considered a distinct possibility. Strength of the market for Dominion issues, especially medium-term, low coupon bonds, is taken as an indication that a new issue is in the offing.

With Alberta proceeding with its refunding scheme, there is marked division of opinion as to the probable value of the proposed Alberta 2½ per cent perpetual bonds. Some investment men claim they will be worth less than 60 per cent of par, while others suggest they may sell at close to 100 if the province is able to balance its budget on all accounts, even by coercion of investors into reduction of interest.

City of Montreal's private bill seeking authority for new taxes, capital expenditures and forced conversion of its debt is making little progress. It is expected that many features of the bill will be given short shrift by the Quebec legislature, including the refunding proposal.

City of Toronto has called for tenders on $6.1 millions of serial debentures. The issue is divided into three groups: 2 per cent 3-year bonds, 2½ per cent 5½-year bonds and 3 per cent 11-year bonds.

New Toronto and Mimico

EXCEPTIONS to the lack of interest being displayed in the market for defaulted municipal bonds, are the debentures of New Toronto and Mimico.

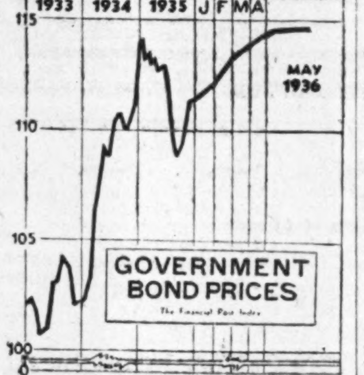
Street talk with regard to refinancing schemes for these Toronto suburbs has resulted in considerable appreciation in their bonds. Since April 15, New Toronto debentures have risen from 55 to 69, and Mimico's from 56 to 62.

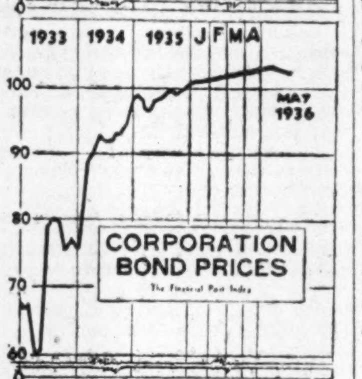
Rumors in market circles are that a refinancing scheme will be brought down for New Toronto in the near future providing for no reduction in either interest or principal, but merely a 5-year extension of maturities.

For Mimico, a 20 per cent reduction in interest and full principal is being talked. Some, however, are of the opinion that in this case also no reduction in interest will be required and only an extension of maturities.

While the bonds have appreciated in price, there are very few available.

* * *





Principal Default Only

ON SEVERAL occasions this column has drawn attention to the profit possibilities in many of the defaulted municipals, especially those where there is a possibility of refinancing in the near future.

Among the most attractive of such securities are those where principal alone is in deafult, such as Sudbury, Niagara Falls and Trenton. Refinancing of the debts of these municipalities is expected before the end of the year.

In the case of Sudbury, there has been a marked improvement in the city's finances. A substantial cash reserve has been built up against defaulted principal so that only minor adjustments, such as extension of maturities, should be necessary.

* * *

Market Changes

WHILE high-grade government bonds have strengthened in price, trading has been dull.

Corporation issues have been an exception to the general trend, easing off slightly.

One of the features of the market has been the further improvement in western provincial bonds, Alberta issues excepted. British Columbia, Saskatchewan and Manitoba issues have regained a large part of the ground lost as a result of the recent crisis. Gains during the past week have ranged up to three points. With the exception of high coupon bonds which have eased off a point, Alberta issues are unchanged.

* * *

High-Grade Bonds

THE high-grade government bond market has been particularly strong, The Financial Post index rising to 114.71. This is the highest it has been since the first week of 1935. The average yield is lower than at any time since the index was started.

The trend of the high-grade market is indicated below:

The Financial Post Average Yield and Price for High-Grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
May 12	3.280	114.66	May 13	3.480	113.46
May 11	3.277	114.71	May 11	3.474	113.56
May 9	3.277	114.71	May 10	3.476	113.55
May 8	3.281	114.66	May 9	3.477	113.47
May 7	3.286	114.63	May 8	3.480	113.44
May 6	3.297	114.50	May 7	3.481	113.42
Year's	3.277	114.71	Year's	3.367	114.97
Range	3.597	111.50	Range	4.097	106.57

Expect Early Redemption Of Brantford Cordage Pfd.

Redemption of Brantford Cordage 8 per cent first preferred shares is expected in the near future. As stated in The Financial Post two weeks ago, reports of redemption have been current for some time.

The shares of $25 each are redeemable at $30 on any dividend date upon 60 days' notice. The next dividend date is July 15, and redemption at that time would necessitate official notice by May 18.

The amount of the first preferred outstanding was $1.4 million last August but is now believed to be somewhat less. However, redemption would require nearly $1.7 million including premium of $5 a share. The company has substantial resources from which part of the cost of redemption could be met, without raising the full sum by sale of new shares.

Details of new securities to finance the redemption are not available, but it is expected that new preferred shares of $25 each may be issued. There would, of course, be a reduced rate of dividend and probably a lower redemption price on new securities. Recent preferred-stock financing would indicate the possibility of a 5 per cent dividend rate.

Earnings available for dividends on the first preferred, and dividend payments at 8 per cent for the past four years, have been as follows:

Brantford Cordage Earnings and Dividends Years Ended August 31

Year	Earnings $	Dividends $
1935	235,760	112,867
1934	222,043	118,380
1933	94,320	124,657
1932	72,588	134,836

Municipal Finances

Cape-de-la-Madeleine, P.Q., is paying bond interest coupons dated May 1, 1936.

* * *

Chicoutimi, P.Q., school commission is paying interest coupons dated May 1, 1936. Interest on matured bonds which are in default is also being paid to that date.

* * *

Calgary, Alta., had a profit of $36,012 in the first three months of the year on its three major utilities. The electric light department had a surplus of $42,619, and street railway $10,330. Waterworks suffered a deficit of $16,907.

* * *

Chatham, Ont., city council has been warned by its finance commission that economy will have to be practised rigidly throughout the year if a deficit is to be avoided. Total expenditures for the first quarter of the year were $124,700 as compared with $112,903 for the corresponding period of 1935.

* * *

Edmonton, Alta., expenditures for the first three months of the year were $1,210,385, about $90,000 in excess of the proportion of the budget for that period. This increase over budget estimates is largely due to higher relief costs. City comptroller J. Hodgson in his report points out that the city may have a very substantial deficit due to direct relief.

* * *

Fort William, Ont., reports a surplus of $5,508 in 1935. During the year net debenture debt was reduced by $242,043 to $4,307,832.

* * *

Hamilton, Ont., in its budget position in 1936 to date shows marked improvement over 1935, the city having a credit balance on current account of $568,000 as against an overdraft of $3 millions at this time last year. The improvement is attributed to the new system of collecting taxes quarterly. On capital account, the city has an overdraft of $2 millions.

* * *

Jonqiere School Corporation, P.Q., is paying interest coupons to May 1, 1936.

* * *

Jonquiere, P.Q., is paying interest coupons of May 1, 1936.

* * *

Kamloops, B.C., has been authorized to borrow $26,000 for the laying of new mains and the rehabilitation of the waterworks system.

* * *

Lethbridge, Alta., had a surplus of $7,070 in 1935. Total tax collections amounted to $538,682, equivalent to 98.7 per cent of the levy. During the past four years, the city's debenture debt has been reduced by $615,970 and its floating debt by $27,244.

* * *

Midland, Ont., tax receipts for the first three months of the year were 35 per cent better than in the same period of 1935, amounting to $108,684. This is almost 40 per cent of the 1936 tax roll.

* * *

Montreal East, P.Q., reports a surplus of $1,289 for 1935. The main factor for the town's improved financial position was the substantial taxes paid by industries.

* * *

North Vancouver, B.C., reports current revenue of $524,350 and current expenditure of $490,802 in 1935.

* * *

Ottawa, Ont., tax rate in 1936 will be the highest in history. The public school rate has been struck at 39 mills and the separate school rate at 46.23 mills, compared with 36.8 mills and 44.05 mills respectively in 1935. The increase was necessitated by the increased amount which must be provided out of current revenue for higher funded and current costs of direct relief.

* * *

Ottawa, Ont., has approved a by-law providing for funding of $610,000 of 1935 direct relief costs.

* * *

Pincher Creek, Alta., is free of all floating indebtedness and has only $12,500 of debentures outstanding. These are payable in seven equal annual installments, being a part of a 30-year issue sold 23 years ago.

* * *

Rockcliffe Park, Ont., suburban municipality adjoining Ottawa, has authorized an issue of $20,000 of debentures to cover the cost of an addition to the village's public school.

* * *

Sandwich East, Ont., 1936 tax rate for direct relief, county rates and general administration will be 25 mills. Including the school levies, which vary in the different school sections, ratepayers will be called upon to pay a total levy of from 34.5 mills to 45 mills.

* * *

Saskatoon, Sask., had a surplus of $34,178 in 1935. Net debenture debt was reduced during the year by $129,288 to $9,922,591. Floating liabilities declined by $83,572 to $2,550,394.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Ontario Steel ...	6%	1943	July 1	110
Robt. Simpson ..	5%	1952	July 1	105
Imperial Realty.	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming† ..	5½	1932-56	July 2	101
B. A. Oil	5%	1945	May 29	103
Dom. Canners ..	6%	1940	Oct. 1	110
Can. Realty	6%	Serial	June 1	105
Saguenay Pr. ..	6%	1966	July 1	104½
Can. Canners ...	6%	1950	July 2	105
St. Law. Flour ..	6%	1941	July 1	110
Maple L. Asbestos	7%	1944	June 1	102
Digby Gen. Hospital	6%	....	June 1	101
Famous Players ..	6%	1948	July 1	103
Do., ...	6½%	1948	July 1	103
Inter. C. Baking	‡5½%	1948	July 1	103½
Do., ...	•5½%	1948	July 1	103½
Credit Foncier Franco-Can.	▪4½%	....	July 1	...
Aluminium	§5%	1948	July 1	105
European Elec.	*6½%	1965	....	...

† $65,000.
Tenders called for §$300,746.
‡$36,000 for sinking fund purposes.
•$164,000 called under redemption pro-
*Tenders called for $500,000 at a price of $922.50 for each $1,000 deb., coupons maturing Aug. 1, 1936.

Religious Issues

Synd. Paroisse Saint-Pierre du Lac, Val-Brillant, 5%, June 1.▪
Religieux Ste. Croix, $485,000, 5½%, June 1.†
Diocese of Alexandria, émission $37,000, échéance 1936 à 1951, 5½%, June 1.*
Dominic. ou Frères Prêcheurs, Montréal, émission $85,000, 1934, 5%, June 1.†
Sisters of Charity, Qué., 5%, July 1.*
Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1.*
Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1.†
Sisters of Charity of Saint-Louis, Bienville, 5½%, July 1.†
Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1.▲
Diocese of Timiskaming, émission $65,000, 5½%, 1932-56, July 1.†
Notre D. Hospital, Montréal, 5½%, Oct. 1.▲
Le College de Notre D. Cote des Neiges, 5½%, 1936-52, June 1.†

*Price 100; ▲102; †101; ▪100½.

Bond Tenders

4 p.m., May 27, Arvida, Que.—$450,000, non-callable coupon bonds, 4 per cent, dated June 1, 1936, redeemable serially from June 1, 1937 to June 1, 1961. J. A. Frechette, sec.-treas.

12 noon, May 14, Dominion of Canada Treasury Bills—$20,000,000, dated May 15, 1936, due Aug. 15, 1936. Bank of Canada, Ottawa.

12 noon, May 20, Toronto—$6,144,000 as follows: $2,872,000, 2 per cent, serial debs. dated June 1, 1936, maturing 1937-1941; $2,263,000, 2½ per cent dated June 1, 1936, maturing 1937-46; $989,000, 3 per cent, dated June 1, 1936, maturing 1937-1956. George Wilson, Commissioner of Finance, Toronto. (See announcement on page 4).

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad. $1.75. Three insertions for the price of two. Add five words when replies are to be sent to box number. No display type or cuts allowed. Classified ads payable in advance.

Timber Land Wanted

TIMBER LAND WANTED WITH TWO hundred thousand feet or more of pine, fourteen inch diameter and up. Also consider jack pine and spruce. Mail full particulars to Box 340, The Financial Post, Toronto, Can.

Calgary Plans To Refund Debt At Lower Rate

Provision for Only 3 Per Cent Interest Made in Tax Levy

TO BE COMPULSORY

Indications are that the city of Calgary intends to proceed with a compulsory refunding programme.

In striking the 1936 tax rate at 50 mills, the same as last year, the city council based its budget upon a reduction in interest rates on its outstanding debentures to 3 per cent. Even this did not enable the council to balance the budget, a cash deficit of $412,839 being estimated. Reduction in the interest rate will save the city $394,000 annually, it is stated.

In approving the budget, the council appointed a committee to discuss the city's financial position with the provincial government, particularly regarding refunding of the debenture debt. While no official statement has been made, it has been indicated the committee would not oppose a government proposal to place an administrator in charge of civic affairs, if the enquiry which is being sought by the city discloses that this would be the proper procedure.

Prior to the meeting at which the tax rate was struck, Mayor Andrew Davison suggested the city attempt to get a loan of $450,000 from the Alberta government to enable the city to avert default on its debenture debt by July 1. As the provincial government has its own financial problems it is hardly likely such a loan would be forthcoming.

Has Authority For Refunding

Under an amendment to the city's charter passed at the recent session of the Alberta legislature, Calgary already has authority to refund its indebtedness with the permission of the Alberta Public Utilities Board.

In any case, it is probable the city will default on its civic indebtedness by July 1. Even if refunding is proceeded with, it is doubtful if refinancing could be completed in time to save the city from default. If default occurs, the civic administration will be taken over by the Public Utilities Board.

In 1935, Calgary had a deficit of $51,620 on current account after capitalization of $250,000 of relief expenditures.

Percentage of tax collections shows slight improvement. Collections of current taxes amounted to 74.78 per cent of the levy, compared with 73.73 per cent in 1934. Total collections were 97.29 per cent of the levy as against 94.53 per cent in the previous year.

Net debt of the city was reduced during the year by approximately $1 million to $14.4 millions as at Dec. 31 last. Debentures outstanding at the end of 1935 totalled $21,540,974 against which a sinking fund of $9,317,515 had been accumulated. The sinking fund is $429,079 short of requirements.

Dividends Declared

	This payment	Date payable	Date of record
Andian National	$1+$1	June 1	May 20
Agnew Surpass, pf.	$1.75	July 2	June 15
Anglo-Huronian ..	20c	June 12	May 30
Borden Co., c. ..	40c	June 1	May 15
Bk. Can. Nation.	$2	June 1	May 15
Belding Cort., pf.	$1.75	July 2	June 15
Do., com.	$1	July 2	June 15
Bk. of Toronto	$2.50	June 1	May 15
Bunker H. Sull.	50+25c	June 1	May 15
Bank of Montreal	$2	June 1	Apr. 30
Beattie Gold	5c	June 1	May 15
Biltmore Hats, pf.	$1.75	June 15	May 15
Corr. P. Box, pf...	$1.75	June 1	May 16
Crows Nest Coal..	†$3	June 1	May 15
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf. ...	$3.50	June 30	June 16
Cosmos Imp. p. new	$1.25	July 15	....
Can. Bk. of Comm.	$2	June 1	Apr. 30
Can. Vinegars	30c	June 1	May 15
Canadian Oil, pref.	$2	July 1	June 20
Confederation Life	$1	June 30	June 25
Cons. Div. Std. Sec. pf.	25c	June 15	June 1
Dom. Scott. Inv., pf.	75c	June 1	May 20
Do., arrears	25c	June 1	May 20
Dome Mines	50c	July 20	June 30
Do., extra	50c	July 20	June 30
Dom. Coal, pf.	38c	July 1	June 15
Electrolux	40c	June 15	May 15
Do., extra	10c	June 15	May 15
Falconbridge N. ..	7½c	June 25	June 4
Hecla Mining	15c	May 25	Apr. 25
Hollinger Gold ..	5c+5c	May 19	May 4
Imperial Oil	25c	June 1	May 15
Do., extra	37½c	June 1	May 15
Inter. Petroleum ..	75c	June 1	May 22
Do., extra	50c	June 1	May 22
Inter. Nickel, c. ..	30c	June 30	June 2
Laura Secord	75c	June 1	May 15
Loew's London, pf.	35c	May 30	May 16
L. of Wood Mill. pf.	$1.75	June 1	May 15
Loblaw Groc., A ..	25c	June 1	May 12
Do., B	25c	June 1	May 12
McIntyre Porc. ...	50c	June 1	May 1
McColl-Fron., c. ..	20c	June 15	May 15
McKinley Mines ...	2½c	June 1	May 15
McKenzie R. L. ..	‡3c	June 15	June 1
Nat. Grocers, pf. ..	$1.75	Apr. 1	May 23
Do., arrears	$3.50	June 1	May 23
N. S. L. & Pr. pf.	$1.50	June 1	May 15
Nat. Biscuit, pf. ..	$1.75	May 29	May 12
Do., com.	40c	July 15	June 17
Ogilvie Flour, pf.	$1.75	June 1	May 20
Pioneer Gold, B.C.	20c	July 2	May 30
Rolland Pap., pf.	$1.50	June 1	May 15
Royal Bank	$2	June 1	Apr. 30
Royalite Oil	50c	June 1	May 15
Do., extra	25c	June 1	May 15
Sher.-Williams, pf.	▪$1.75	....	....
Toburn Gold	2c	May 21	Apr. 21
Union Gas	†10c	June 15	May 26
Ventures	‡2½c	July 2	June 15

†Interim. ‡Initial. ▪For quarter ended Aug. 31, 1934.

Foreign Exchange

Political developments in France, including an election result which places Leon Blum, Socialist leader, at the head of the next French government, were regarded calmly by foreign exchange markets in the week ended May 11. The franc, in terms of Canadian dollars, showed a weaker tendency and from .1985½ to close the week at .1982.

Sterling was also easier, and after touching 4.99 on May 8, dropped to 4.98½ and on May 11 slumped further to 4.96⅞.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	May 5	May 6	May 7	May 8	May 9	May 11
U. S. dollar, High	.5906	1.00 1/32	1.00 1/16	1.00 1/32	1.00	1.00 1/32	1.00 1/32
Low	.5906	1.00	1.00 1/32	1.00	1.00	1.00	1.00 1/32
1935, High	.5906	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/32	1.00 1/16	1.00
Low	.5906	1.00¼	1.00¼	1.00 1/16	1.00 1/32	1.00 1/32	0.99 31/32
U. K. pound	4.8665	4.96⅛	4.96¼	4.97	4.99	4.98½	4.96⅞
Argentina	.4246	.....	.2752	.2752	.2759	.2756	.2753
Australia	4.8665	3.9626	3.9636	3.9681	3.9840	3.9812	3.9680
Austria	.1407	.1876½	.1876½	.1876	.1877	.1878	.1881
Belgium	.1392	.1700½	.1700	.1702½	.1703	.1703	.1701⅛
Brazil	.1963	.0560⅛	.0560¼	.0555	.0560	.0560	.0560⅛
Czechoslovakia	.0296	.0414	.0414⅝	.0414¾	.0415½	.0415½	.0416¼
Denmark	.2680	.2216	.2216¾	.2222	.2230	.2227	.2219
France	.0392	.0658¾	.0658½	.0658½	.0658⅝	.0659	.0660⅜
Germany	.2382	.4034¼	.4034¼	.4040	.4046	.4048	.4043
Greece	.013	.0094½	.0094¾	.0094¼	.0094¼	.0094¼	.0094¼
Holland	.4020	.6784	.6767	.6771	.6746	.6750	.6780¼
Hungary	.1749	.1985½	.1985½	.1980	.1980	.1980	.1982
India	.3650	.3786¼	.3781¼	.3785	.3790	.3801	.3788½
Italy	.0526	.....	.0791	.0792	.....	.....	.....
Japan	.4985	.2901	.2906	.2908	.2912	.2910	.2913
Jugoslavia	.1929	.0229½	.0229¾	.0229½	.0229	.0229	.0230½
New Zealand	4.8665	4.0025	4.0035	4.0061	4.0241	4.0215	4.0080
Norway	.2680	.2494	.2495	.2565	.2509	.2506	.2498
Poland	.1122	.1887	.1890	.1889	.1890	.1892	.....
South Africa	4.8666	4.9383	4.9395	4.9452	4.9651	4.9616	4.9451
Spain	.1929	.1365½	.1365	.1365	.1365	.1365	.1368½
Sweden	.2680	.....	.2560	.2500	.2574	.2571	.2563
Switzerland	.1930	.3250	.3250	.3249	.3233	.3230	.3240
Hong Kong	.5422	.3281	.3276	.3270	.3280	.3290	.3283

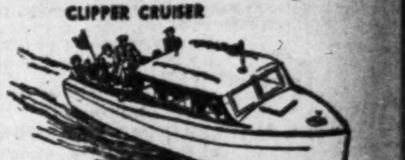
Quebec Sinking Fund Holds Treasury Bills

During 1935, $2 millions of treasury bills of the province of Quebec were issued to various sinking funds of the province in lieu of cash, according to information given to the Quebec legislature.

In answer to a question on the order paper, Hon. R. F. Stockwell, provincial treasurer, stated that due to the scarcity of Quebec debentures in the open market, the treasury bills had been issued to sinking funds as temporary investments.

Curb Elects Pooler

MONTREAL. — E. H. Pooler, Toronto, partner of Bain Pooler and Co., has been elected a member of the Montreal Curb Market. Mr. Pooler also is a member of Canadian Commodity Exchange and the Toronto Stock Exchange.



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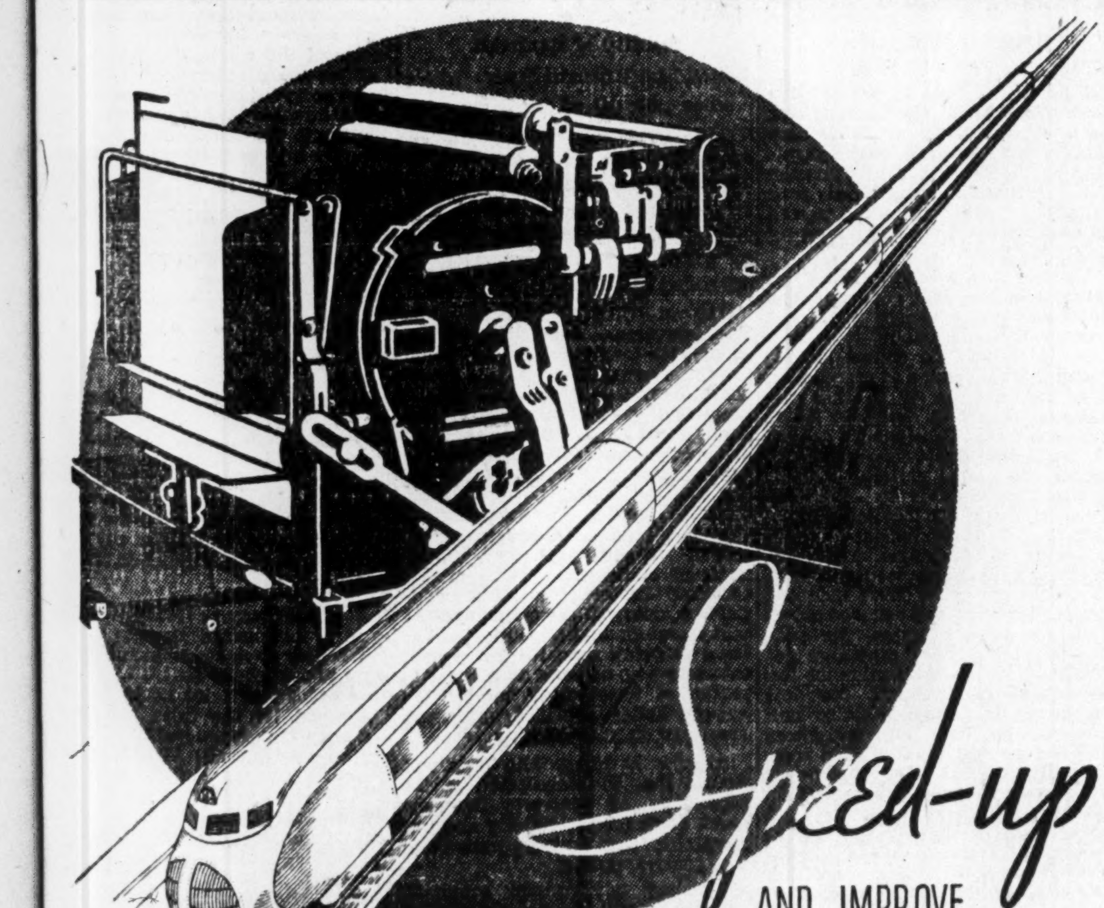

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TORONTO, MAY 16, 1936

What Unbalanced Budgets Mean

MANY have been the demands for budget-balancing in Canada and many the pleadings for new government spending. Less evident, however, have been the explanations of just why balanced budgets and less spending by governments are essential to the welfare of this country and of its people.

There is heartening evidence in Hon. C. A. Dunning's recent budget address that the Dominion will try to keep its fiscal activities within limits compatible with its social responsibilities. Commenting on this, the monthly letter of A. E. Ames & Co. states that the ultimate result . . . .

"... of unbalanced budgets would necessarily be the imposition of impossible tax burdens, a revival of currency depreciation with all its distortions, a repetition of the deflation of capital values and the prolongation of social distress."

It is best that the people of Canada should know that deflation of government expenditures and stiff taxation now are the only certain means of avoiding worse things hereafter. Unbalanced budgets, besides undermining business confidence and economic recovery, are, in the long run, a concealed drain on the wages, pocketbooks and savings of the comparatively poor.

Farm Marketing Schemes

THE much publicized agricultural marketing schemes of the British government are apparently not meeting with unanimous approval. Comment regarding such measures was caustic in the recent 83rd annual report of the Liverpool Corn Trade Association. It states:

"No marketing scheme for cereals has, as yet, been propounded, and, having regard to the muddle into which milk and bacon schemes have fallen, there is little demand by the farmers for extension of this type of state planning. Milk and bacon pass from one minor crisis to another, and constant protests are publicly recorded by producers and distributors alike. Bewildered farmers, haled before tribunals where they are prosecuted and judged by the same authorities, smartly fined and debarred from any appeal to the courts of law, may well be excused if they openly express their dislike for 'scientific protection' as applied to their affairs, and veer toward the demand for a straight tariff or levy."

The Association maintains that at least one section of the political and economic thought of Great Britain has recently turned to the possibility of stimulating consumption as a means of solving the farm problem. It states that even with what has been claimed to be the most successful of the marketing schemes, that regulating the marketing of hops, there have been several defects that "were ludicrous to the commercial mind." Buyers, it is claimed, have been stubbornly refused permission to examine adequately products offered for sale, and there is no arbitration machinery for dealing with what might be considered an unfair valuation.

Such confusion, however, is not surprising in the opinion of the Liverpool Corn Association, "where seller or buyer is so placed that he can virtually dictate terms to the other party."

Heads, the Pools Won; Tails, the Taxpayers Lost

ACCORDING to statements made before the parliamentary committee at Ottawa, Canadian Co-operative Wheat Producers, which the government had been employing as a market stabilizing agency, bought some millions of bushels of wheat after Parliament had set up the Canadian Wheat Board and had forbidden such transactions to it. John I. McFarland happened to be the active head of both bodies. The bank borrowings of both sides were under guarantee by the Dominion Government.

What happened during the brief time while that curious situation prevailed is comparatively unimportant compared with what happened during several years previously, when an indefinite and unacknowledged relation existed between the government, Mr. McFarland and the wheat pool organizations. The government guaranteed bank borrowings for a series of vast transactions conducted under the management of Mr. McFarland. But the latter was the responsible officer of the wheat pools and was not a government officer. The transactions made a lot of money for the wheat pools, and lost a lot for the government.

The Financial Post, on various occasions, protested against this anomalous situation, and declared that Mr. McFarland should have both the responsibility and the protection of being a government representative, directly responsible to the government, so long as he was in charge of government sponsored wheat operations.

What has come to light at Ottawa is simply a minor incident giving definite proof that the relations of the government to the wheat market should have been regularized long before this was actually done by the creation of the Canadian Wheat Board.

It's Not Canadian Paper

LE CANADA, of Montreal, thinks the Canadian government did the right thing in allowing American magazines to come in duty free. As evidence, it cites the fact that Canadian newsprint mills have produced during the first three months of this year 105,099 tons of newsprint paper more than they did last year.

Canadian newsprint paper shipped to the United States goes into newspapers not into magazines. American magazines are printed on American-made magazine paper, which is not bought in Canada except possibly in the case of a few cheap "pulp" magazines. Even these are not generally printed on the grade of newsprint that is imported from Canada.

The thousands of tons of American magazines coming into this country do nothing for Canadian paper mills. It is unfortunate that Le Canada should have drawn such an absurd conclusion.

Sunk — But Not Without a Trace

DISPOSAL of the ten ships remaining in the service of the Canadian Government Merchant Marine brings the Dominion government's misadventure into the shipping business to an inglorious end. The ten ships were not sold; they were scrapped. The only benefit accruing from their disposal is that three Australian shipping firms have undertaken to provide a modern shipping service between the Antipodes and Canada for five years. In return for this arrangement, the government has retired the vessels remaining in its once grand fleet of 65 ships, to the scrap iron heap. They cost $18 millions of dollars back in 1919-20 and during the years of their operation they piled up enormous deficits on operation as well as upon depreciation and capital account.

With the disposal of these ships, the record of the C. G. M. M. is fairly complete. A fleet of 65 ships was built, primarily to serve the National Railways and Canada's foreign trade. The capital cost was $78 millions, and sale of the ships began in the middle twenties and has been carried through to the ultimate extinction of the fleet. All that has ever been realized from the sale of the ships is $200,000. The original capital cost the government 5 per cent or more and the ships earned an operating profit only in two years—1919 and 1920. In the latter year it was insufficient to meet depreciation and interest charges. Since then, the taxpayers have had to pay the interest on the capital invested, plus gargantuan operating losses. The deficit shown at Dec. 31 last, was $41.6 millions, but as each ship was sold, there was a write-off from the C. G. M. M. books, so that this does not tell the complete story.

The recorded loss on capital and deficit accounts is $119.2 millions, but if the full interest charge on the capital investment were carried forward throughout the period since 1919-20, it would exceed $150 millions. This is the approximate price which the taxpayers have paid for the folly of a marine-minded Parliament after the war years. And since this enormous loss has been written into the debt of Canada, they will go on paying in perpetuity.

But while the once glorious C. G. M. M. has been junked, Parliament is forgetting the old love in pursuit of a new. The new, or comparatively new, venture on the high seas is the Canadian National West Indies Steamships Ltd., which operates the "Lady" boats. These vessels, of course, were built as a result of the Canada-West Indies trade treaty, but they are proving extremely expensive to the taxpayers. They have piled up a deficit, up to December 31 last, of $8.7 millions and these deficits are now of the lustier type—nearly a million dollars per year. As there are but 11 ships in the fleet, the chances of the public treasury escaping, ultimately, with a much lower loss than that sustained in the C. G. M. M. are good.

Our Interest Burdens

INTEREST on Canada's public debt has dropped in each of the last two years although the debt has been rising rapidly. The country has had the benefit of lowering interest rates. The average rate of interest on government loans was 3.9 per cent at March 31 as against 4.15 per cent a year ago. Debt interest has declined as follows:

1933-34	$139.7 millions
1934-35	138.5 millions
1935-36	134.6 millions

Nevertheless, the figure has risen about $15 millions during the depression years. Now that the major portion of Canada's public debt has enjoyed the benefit of refunding operations at lower interest rates, the interest charges may be expected to show increases from year to year, due to the large deficits which have to be met by borrowing.

As a matter of fact, we have not yet felt in Canada the full impact of the rapid increase in debt in post-war years. The chief reason is that as our debts have risen, interest rates have been going down so that the burden of interest has not grown as rapidly as the weight of debt itself.

But indications are that basic interest rates are at about bottom. The Dominion government is unlikely to borrow much below current levels. In fact, the evil consequences of a further decline in interest levels might more than offset the assumed advantages. For example, the solvency of billions of dollars of life insurance policies is dependent upon the companies being able to earn a certain minimum return on their funds. The Dominion, and other borrowers approaching the Dominion in character, have skimmed nearly the last spoonful of cream off the money market.

Some day the tide of money rates will turn. That turn may come early and it may come late. When that happens, when maturing bonds have to be paid off with money borrowed at higher rates of interest rather than at lower rates of interest, then we shall begin to feel an increasing weight of financial burden from our bloated debt structure. We can avoid that if each government will pursue a definite, fixed programme of repayment.

Editorial Notes

The Republican nomination looks like a Landonslide.

* * *

High priced cars promise to be cheaper as a result of the budget changes. This is the first break the millionaire has had in a budget since way back when.

* * *

Toyohiko Kagawa says that there cannot be peace in the Pacific until the Japanese and the Chinese are good friends. That is what a great many Chinese too have said recently.

* * *

It is proposed to increase the size of Nova Scotia's legislature from 30 to 35 members. This maritime province's legislature will still be smaller than most provincial assemblies in Canada.

* * *

Hundreds of people waited for the budget to come down before buying their new 1936 motor cars. They expected a big cut in price. Now they are asked, on the popular models, to pay a higher price. The reason is increased taxation. The extra money goes to the government, not to the car makers.

* * *

The government plans to have Sam J. Hungerford filling the dual rôle of chairman of the Canadian National Railways and chief operating officer. Pinning more definite responsibility for results upon a man of Mr. Hungerford's stamp is one of the good features of the new railway measure but it hardly offsets the potential evil of making him and his board subject to the whims of the politicians.

* * *

President Roosevelt asked Walter P. Chrysler how much it would cost to build a $600 car in a machine shop as an individual unit. Mr. Chrysler said "$3,500." The president suggested that the mass production lesson in this ought to be applied to housing. Perhaps he has forgotten that his N.R.A. tried to curb mass production techniques and his new corporation tax bill seems designed to thwart the development of companies large enough to apply mass production methods.

Post-Scripts

"Whereas It Appears . . . ."

THE traditional forms suffice to get the business of Parliament done. Who would think from reading the preamble of The Appropriation Act No. 3, 1936, that what it really means to say is that the government is seeking authority to spend more millions of the taxpayers' money. Addressed to our "Most Gracious Sovereign" the bill starts off in these words:

"Whereas it appears by message from His Excellency the Right Honorable Baron Tweedsmuir of Elsfield, etc., etc., Governor-General of Canada, and the estimates accompanying the said message that the sums hereinafter mentioned are required to defray certain expenses of the public service of Canada, not otherwise provided for, for the financial year ending the thirty-first day of March, one thousand nine hundred and thirty-seven, and for other purposes connected with the public service: May it therefore please Your Majesty, that it may be enacted and be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, that:—"

* * *

Cultured "Brutes"

HOW do the great towering brutes, who splinter jaws and shatter nerves and carry all before them on the screen, act when they are off duty?

An English publicity man, curious on the point, ascertained that Noah Beery grows roses when off duty, and the monster Karloff is never more happy than when tending the apple trees in his California orchard.

Edmund Lowe creeps off home after the day is done, puts his feet up, lights a pipe and listens to records of Gilbert and Sullivan's operas. In "The Record," the new Gaumont-British thriller, Eddie roars his head off, but at home his soul is soothed by Strauss and Tchaikowsky.

Sayings of the Week

"The lights of hope are beginning to gleam." *—Rt.-Hon. Arthur Meighen.*

* * *

"A normal tide comes up little by little, and colonization should be carried on the same way." *—J. F. Pouliot, M.P.*

* * *

"At the present time, youth clamors for something other than submission or attachment to a party."*—Senator Arthur Sauve.*

* * *

"We have got to recognize that German standards of conduct are not ours; that German ethics are not ours."*—Sir Arthur Chamberlain.*

* * *

"I am certainly not one who is prepared to admit that steps taken in 1837 were essential and necessary steps."*—Rt. Hon. Arthur Meighen.*

* * *

"I don't believe one can reckon on an oasis of prosperity in an impoverished world, or on an oasis of peace in a world of war."*—Sir Arthur Salter.*

* * *

"Canadian independence would be bad business; it would be contrary to the material interests of this country."*—Senator George Lynch-Staunton.*

* * *

"I saw lobsters long before I saw the honorable member (J. F. Pouliot, M.P.), who has just spoken."*—Angus MacInnis, M.P., in the House of Commons.*

* * *

"I have no objection at all to selling arms to both sides—I am not a purist in these things."*—Sir Harry Duncan McGowan, of Imperial Chemical Industries, Limited.*

* * *

"I have never known a leakage of information due to a woman, but I have known leakages through men who should have known a great deal better."*—Stanley Baldwin.*

* * *

"To the American mind, the words 'making propaganda' mean something unethical. But to the German they mean the same as advertising means to you."*—Hans Borchers, German Consul-General to the U. S.*

* * *

"My personal experience of the public schools is that we were never taught anything of the history of Canada except that Jacques Cartier came up the St. Lawrence River." *— Senator George Lynch-Staunton.*

—Drawn for The Financial Post by R. Kaell.

TIME TO GIVE THE SPECIALIST A CHANCE AT THE JOB

Barriers to Recovery

From the Yearbook of the Citizens Research Institute of Canada

In 1934, the 3,978 governments of Canada and the 23,946 school public-spending bodies of the country went behind on current acounts about $197 millions. In 1935, the current deficits will hardly fall below $154 millions.

The majority of municipalities follow the precepts, not the examples, of their provincial masters. The feats of economy performed by most rural municipalities, many villages and towns and not a few cities, in the face of a plethora of apparently successful bad examples is noteworthy. In fact, the great majority of Canadian municipalities even in these years are living within their incomes.

Occasion, Not Cause

This goes to show that the real cause of government by deficit is not the so-called depression. This was the occasion but not the cause. The real causes are the establishment of uneconomic standards of governmental and private living in buoyant times, which standards carry over into depressed times; the undermining of moral fibre developed by years of pioneering, and a loss or diminution of the power of the body politic to think straight, and even, it would sometimes appear, to think at all. If working about 17 days a year to pay deficits from the operations of government and governmental authorities will not compel thought what will?

* * *

Railway Deficits

We have been afraid to think about recurring railway deficits much less to take any action vigorous enough to meet the situation. The deficits on government railways and government shipping between 1924 and 1934, both inclusive, exceeded $720 millions, or probably not less than 2¼ per cent of the total national wealth; while the average deficit for the last three years, 1932, 1933, 1934, has been almost three per cent of the estimated annual national income, over nine per cent of the total public expenditure, national, provincial and municipal, and over 14 per cent of the total taxation.

* * *

Over-Taxation

Canada has resources enough to get all she needs for the happiness and well-being of her citizens, but not enough to satisfy all the wants of those who think the country owes them a luxurious and leisurely living.

Over-taxation can easily strangle business and industry, lower the average standards of living and reduce the index of employment. It is becoming evident that the permanent absorption of the employable unemployed is possible only through a revival of business and industry, and that such a revival must wait, among other things, on a reduction of the overhead of business through a reduction of governmental expenditures met out of taxes.

Even if by a miracle all public debt were wiped out and all governments were established on a fairly efficient basis, our problems would not be solved. So long as policies which depend on getting something for nothing or at the expense of someone else; on manufactured credit; on unbalanced budgets made to look as if they were balanced; on repudiations; on forced refunding, which is simply another form of seizure of private property for public purposes, find favor with the electorate, so long will it be impossible to have assured efficient, honest and economic public administration.

Other People's Views

The Dominion's Money
Regina Leader-Post

No province is forced to go into the loan council plan unless it wishes to go. If it can finance by itself, without a Dominion guarantee, so much the better. But it looks like a sensible procedure from the standpoint of the Dominion that if a province is to get a guarantee from Ottawa involving the credit of the Dominion, Ottawa should have some voice in what a province may be doing about the spending of its money.

Added to Our Costs
Saint John Telegraph-Journal

In 1934 almost one-third of the total income of all Canadian citizens was required for governmental expenditures—federal, provincial and municipal.

The figures given are illuminating and they indicate the necessity of governments curbing the urge to spend so that the demand upon the population will be more in proportion to its ability to pay. If our industry, both primary and secondary, is to compete in the markets of the world, it must be relieved of these heavy tax payments which add so much to its cost of production.

Canada's Staggering Wealth
Arthur Brisbane, in Hearst Newspapers

The Canadian Press News Service says Canada's wealth has shrunk almost six thousand million dollars since 1929. That will be only a temporary shrinkage.

Nobody can estimate the wealth of such a land as Canada. The estimate of thirty-one billions total wealth is ridiculously small. If Canada's government went gold hunting on its own account, as the Russian government does, it might soon accumulate more than thirty-one billions of precious metals.

The wealth of such a country is beyond imagination.

Don't Blame Manufacturers
Windsor Daily Star

You cannot blame the automotive manufacturers because you have to pay more for an automobile.

The prices of the cars have not gone up. But the taxes levied by the government and collected through the factories have been increased.

On a lower priced car, the buyer has to pay from $12 to $17 more for his vehicle. But that extra money is to take care of the increased sales tax, which was upped from six to eight per cent. And, on cars which have a wholesale value in excess of $650, there is a five per cent excise tax on the excess.

The government makes the manufacturer collect these taxes. Instead of having a staff of tax collectors to round up the money, the Dominion Government simply tells the manufacturer he has to collect the tax from the public and then turn it over to the Dominion Treasury.

So, when you have to pay more for your car, do not blame the manufacturer, or the tariff; the reason is higher taxes to help meet the deficits that have been caused by the railways and unemployment.

Maybe It's Indian for "Gray Frost"
Orillia Packet-Times

The Ottawa Citizen is disturbed. The editor has received a letter from Mayor Cecil G. Frost, of Lindsay. It was a good letter, a sensible letter, dealing with the need for reform in municipal taxation. But it is not the contents of the letter that have inspired the editorial pen. It is the signature. So much so that it has been made the subject of a leading editorial. The editor considers it "fantasic" and "a marvel." He makes it the text for an exhortation to the teachers of the province to "impress on the young the importance of a simple, readable signature."

We are surprised at the Citizen. We thought that paper had a soul for sentiment and artistry. And in Mayor Frost's signature there are both. True, we're not quite sure whether it is meant for S. G. Frost, or Cecil G. Frost or Cecil Gray Frost. It doesn't look the least like any of them. It might be Miller or Weldon or any one of half a dozen names. Indeed, it might be Chinese. But for those not familiar with its spacious curves, a thoughtful stenographer provides the interpretation in clear print. And his friends have learned to recognize that signature at a glance. For our part, it is always a welcome sight at the foot of a letter. It gives us a thrill every time we see it. We wouldn't for anything have that brilliant signature reduced to commonplace letters that we could read.

Contracts and Honesty

Honesty and Debts

Editor, The Financial Post,—

I have just read in The Regina Leader-Post, J. W. Corman's answer to what apparently was a castigation of his views on debt conversion by the editor of The Financial Post. Without having read your criticism, I am constrained myself to criticize Mr. Corman's views set out in his letter.

I gather by implications from this letter, that the debt conversion he advocates would violate bond contracts and would amount to repudiation of them. He claims that to brand this conversion as repudiation does not dispose of it, that the question should be discussed on its merits and that these merits depend on the further question whether the injury to our national credit, wrought presumably by such debt conversion, and its inevitable hardship to our bondholders would outweigh its advantages. These advantages presumably would be such as would accrue to those indebted under the bonds, and relieved therefrom by the conversion. He adds that "anyone is blind who does not realize that the conception of the sacredness of contracts has lost much of its former rigidity and immutability, both with legislators and the general public." Too true, indeed! But what of it? If some, or even many, have become lax in observance of their contracts, in some cases through compulsion of financial stress and in others through sheer dishonesty, does that fact establish the regular observance of such laxity as a right, proper, fair and righteous rule of conduct?

Moreover does the fact that debt adjustment laws have been enacted by both Dominion and provinces in any measure support the implied rightness of such regular observance of laxity? Do they more than indicate that our governments have merely felt, in order to avoid difficulty and defeat, a need to placate popular demand. I doubt if any debt adjustment law existing in Canada today, if put to a legal test, would not be set aside as contrary to law and equity.

Eliminate honesty and morality from the economic relations among men, destroy the sacredness of contract and covenant so that no longer shall a man's word be as good as his bond, and you take away the solid foundation of our business fabric, utterly destroying credit and making impossible the dealings among men except on a basis of each dealer having his grip on his neighbor's chattel simultaneously with such neighbor's grip on the consideration therefor.

F. W. VARLEY.

Kincaid, Sask.

Sanctity of Contracts

Editor, The Financial Post:

Your editorial of March 28 criticizing some remarks attributed to me in a discussion before our Peoples' Forum gives a personal significance to them that is unwarranted. You might as justly castigate a member of a debating team for arguments advanced in support of his side.

The subject of the day was public debt conversion, and I attempted to emphasize that the question would never be properly dealt with if we did not first rid ourselves of the idea that it was disposed of by branding it as repudiation, and by the bald statement that the principle of the sanctity of contracts was being violated. I was trying to show that the question was so important that it should be discussed on its merits. Would the injury to our national credit and the inevitable hardship inflicted on some bondholders outweigh the advantages? I still maintain that a solution of the issue is being retarded by certain interests who attempt to make it a matter of terminology and by the age-old holier-than-thou expedient, employed in your editorial.

Anyone is blind who does not realize that the conception of the sacredness of contracts has lost much of its former rigidity and immutability, both with legislators and the general public.

You say our present economic system is built on the sanctity of contracts. This argument is valid if you are satisfied with our present economic system. I am not.

You ask if the Moose Jaw lawyer is ready to accept the consequences of a relaxation in the rigid enforcement of contracts. He has accepted such consequences, as has everyone in his profession. Both the federal and provincial governments have recognized the principle in debt adjustment laws.

You introduce the word honesty into the discussion. Do you imply that all the debtors who have taken advantage of our debt adjustment laws are dishonest, or our legislatures in passing such laws?

In your editorial you mention the possibility of future generations accepting the fact that contracts may have to give way to changing conditions. That is exactly what I pointed out.

I still suggest that there is a lot to be said for those who maintain that contracts are no more sacred than human needs and human suffering.

J. W. CORMAN.

Moose Jaw, Sask.

In the Mail

(Not over 200 words, please)

Alberta's Sovereignty

Editor, The Financial Post:

In your issue of April 25, replying to an investor's enquiry, you state that Alberta is a sovereign power. This surely is incorrect; it is what Aberhart would like it to be but the provincial legislature has no power over money. Of course it has complete control over its bond issues.

HENRY S. GOLDS

Delia, Alberta.

Editor's Note. — Alberta's sovereignty, of course, is subject to constitutional limitations under the British North America Act.

"The Red Network"

Editor, The Financial Post,

I thank you for the review of my book "The Red Network." May I suggest that your reviewer was in error in saying that the Foreign Policy Association was listed because it once recommended a communist book. The record of the Foreign Policy Association is long and radical in a smooth, supposedly "neutral" way at the same time putting over plenty of communistic propaganda to the unwary "culture" seekers who absorb it. It has been listed by every patriotic research agency that ever bothered to really understand the Red movement and its machinations. One cannot count the Red books recommended.

Also, being a national committeeman of the communist-fronting and aiding American Civil Liberties Union and on the Garland Fund roster, as is John F. Sinclair, is far from being "amusing" or even "pink." It is as great a service to the Communistic movement as can be rendered. I know that it seems "amusing" that Capitalists should be working for Socialism but you may recall that Friedrich Engels himself was a Capitalist and that Marx lived uncomplainingly on the proceeds of the toil of Engel's factory hands while he ranted and raved against Capitalism. It is my opinion that Communism would fall flat but for the aid of the capitalistic class. The great millionaire funds pour millions into the Red cause, silly as it seems. Our great Chicago millionaires are collecting funds to carry on the work of the Hull House now. By the enclosed you may see a typical activity there—the convention of the official Communist Pary legal aid society held there—the International Labor Defense.

ELIZABETH DILLING.

Kenilworth, Ill.

Soldier Settler Complains

Editor, the Financial Post:

I noticed the editorial on Soldiers' Settlement. Your chief concern in this matter seems to be the cost to the taxpayer. And the raw deal extended to the original settler seems to be entirely ignored. The original settler did not start out with any fat subsidy. In my case I had to put up a deposit of two thousand dollars before taking over the farm and I know of other settlers who put up even more original deposit.

I agree with the tone of your editorial that this whole thing was a perfect example of the criminal wastefulness of the government in business, but that the chief crime was the wastefulness of private money rather than the taxpayers' money.

Either the government is pulling the wool over your eyes or you are entirely ignorant of the true conditions when you state that the soldier abandoned his holdings. These original settlers were jackbooted of their holdings in true military style. This action looked to me like a sop to the big immigration racketeers for their contributions to the campaign funds.

As these outsiders did not have any capital to start with I do not agree with your solution to the problem which would give them these farms without any more payment and entirely ignore the financial losses of the original settlers.

If this whole matter were thoroughly investigated it would reveal a confidence racket that would rank with the South Sea Bubble. The soldier thought he was getting in on a real good thing for his services during the war.

JOHN JAMIESON.

Guelph, Ont.

As Others See Us . . . . .

"Cause For Rejoicing"
Oshawa Times

Members of the City Council, civic officials and Oshawa citizens generally have cause for rejoicing, as the city has been included this week in The Financial Post's Municipal Honor Roll. Improvement is noted and great credit given for the careful manner in which the city finances have been handled in recent years.

Money or Goods
Lethbridge Herald

We hear so much loose talk these days about money that it has come to a point where we no longer see the wood for the trees. Money—money—interest—credit.

And what is it all? What is money except a measuring stick for goods and services? What would you do on a desert island with all the money and credit in the world but no goods—nothing to eat, nothing to wear? Would you ask for more money, a larger flow of credit, lower interest rates?

"Think in goods." That's the good advice Sir Norman Angell, British economist, who is furnishing an illuminating series of articles on "The Money Mystery" to The Financial Post.

Goods are wealth. Money is a symbol of wealth. Let's decide that for a year we'll think of goods and trade in terms of goods, rather than listening to so much wild ballyhoo about money, credit and interest.

Stop Me If You've Heard This One . .

The problem of creating a sound-effect to simulate water being poured into a glass from a pitcher caused a major disturbance during a broadcast rehearsal a few days ago. The production men and the entire crew of sound-effecters tried a variety of ways, trickles of sand, swishes of sand, drops of sand—all in vain.

In the midst of the technical despair, a page boy suggested, "Why not pour water into a glass from a pitcher?"

They did.

Week in Business

Heat Wave and Budget Preoccupy Business

Sales of Summer Goods Soar But Spring Merchandise Remains on Shelves — Budget Proves Hard to Digest — Cautious Note for Business

Record-breaking summer weather brought good and bad news to Canadian business last week. For instance, shoe people did an immense volume of business in light summer stock but their brisk trade was clouded by the fact that another ten days or two weeks of cool spring weather would have permitted a very substantial volume of business in normal spring business—dark shoes and so forth—which now they fear will be lost.

The same is true of women's dresses and other seasonal lines. Departments which handled summer lines could hardly cope with the sudden rush of business, but it meant a sacrifice on spring lines which now will either have to be cut in price or carried through. Other lines to benefit were garden furniture and tools, although much of this business may simply be sales which would have developed normally within the next few weeks in any event.

* * *

Next in importance was the big job of budget-digesting which absorbed the waking thoughts of most manufacturers during the week. For many industries and groups the end is not yet in sight though the budget came down ten days or more ago. Thus the senior official of one major trade body reported it would be the end of this week—probably May 15—before he would have any statement to make as to how his firms really felt about the May Day pronouncements from Ottawa.

One important concession almost overlooked by many firms was the decision of the government to rescind the sales tax on consumable materials. As pointed out in a news story elsewhere in this issue, this is one of the most important features of the budget for many firms—particularly as it removes one of the chief "nuisance taxes" of recent years. The tariff board at Ottawa suggested its removal might eventually mean a saving of as much as $4 to $5 per car in the automotive field.

* * *

A shrewd commentary on the present business outlook in the United States is made in the current bulletin of the National Association of Purchasing Agents by Dr. H. Parker Willis, noted economist.

He warns bluntly that: "The factors now being depended upon to maintain activity and profits during the months immediately ahead are not only highly artificial in their nature, as indeed is the larger part of the whole structure of improvement that has been erected, but are in substantial part of a non-recurring nature.

"That is to say, the funds received by recipients of bonus payments may or may not continue in active circulation as in more normal times would be the case."

Dr. Willis then stresses the inflationary dangers ahead, but notes that: "The invitation constantly extended to inflationary madness will be only partially effective due to counterbalancing raids and threats of raids upon business, so that industry and trade will continue somewhat as it has been proceeding for some time past, hesitantly, uncertainly and unevenly forward at a rate as unpredictable almost as the date at which the structure that we have erected will collapse.

"In these circumstances it is obvious that he is wise who keeps his affairs and those of the enterprises under his care in position to meet almost any turn of events."

Business Indicators

Changes of the Week

Favorable

Weekly earnings of the Canadian railways continue to show substantial improvement over last year. For the week of May 7, reports from the two major roads showed figures more than $400,000 above the corresponding week in 1935.

Carloadings advanced some 4,000 cars above last year's level, bringing the cumulative total just about equal with that of 1935.

Wheat exports and flour exports continue to register advances over corresponding periods last year, with increased shipments to Great Britain the major factor.

Boot and shoe production in March reached the highest total for that month in any year since statistics were first compiled in 1926. Women's shoes accounted for half the total output, and men's a further 28 per cent.

Unfavorable

Construction contracts awarded in April were off $1.5 millions from the 1935 figure. The decrease was confined largely to public works, however, as residential and business building recorded appreciable gains.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1936	1935	—Cumulative Total— Jan. 1 to date 1936	1935
Transportation—				
Car loadings (May 2)	▲47,262	43,196	767,861	768,551
C.N.R. gross earn. (May 7)	$ ▲3,467,265	$ 3,010,016	$ 58,988,827	$ 55,392,554
C.P.R. net revenue (May 7)	$ ▲2,557,000	$ 2,153,000	$ 42,419,000	$ 38,576,000
Business Conditions—				
Weekly index D.B.S. (May 2)	▲106.6	99.8	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (Mar.)	106.0	98.6	......	......
Transportation—				
C. P. R. net earnings (Mar.)	$ 1,347,733	$ 1,147,235	$ 2,827,703	$ 2,101,694
C.N.R. net revenue (Mar.)	$ 941,533	$ 1,095,485	$ 76,742	$ 481,699
Iron and Steel (Mar.)—				
Pig iron production (tons)	55,009	44,727	172,096	126,402
Steel ingots and castings prod. (tons)	101,092	57,840	294,682	173,372
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Mar.)	9,451	9,244	18,480	18,079
Factory output (Mar.)	14,488	18,179	36,602	40,333
Trucks and Buses:				
Domestic sales* (Mar.)	2,149	1,717	4,076	3,585
Factory output (Mar.)	3,533	3,796	7,898	10,363
Exports (Mar.)	4,817	7,929	15,042	20,384
Construction—				
Building permits (Mar.)	$ 2,361,271	$ 4,022,755	$ 5,556,871	$ 8,507,270
Contracts awarded (Apr.)	$ ▲9,815,100	$ 11,379,400	$ 41,942,300	$ 40,770,700
Newsprint (tons)—				
Production (Mar.)	233,900	205,682	683,424	587,946
Sugar (lb.)				
Melting & shipments§ (raw)	50,095,059	52,534,493	114,520,555	117,322,042
Manufactured§	46,454,928	49,612,873	113,600,438	139,508,165
Flour (bbls.)				
Production (Mar.)	1,171,741	1,046,087	3,172,746	3,012,462
Wheat flour exports (Apr.)	▲281,162	276,907	1,412,348	1,430,163
Trade—				
Retail trade (index no. of sales) (Mar.)	71.7	69.5	......	......
Imports (Mar.)	$ 52,765,031	$ 48,191,140	$ 134,952,705	$ 122,464,255
Exports (Mar.)	$ 73,166,331	$ 59,026,422	$ 187,781,853	$ 151,077,456
Wheat exports (bush.) (Apr.)	▲6,572,364	5,027,403	41,507,038	26,520,608
Employment, D.B.S. Index (Apr. 1)				
All industries	97.4	93.4	......	......
Manufacturing	101.1	93.9	......	......
Electric Power Output (Mar.)—				
Total monthly (000's omitted)	2,135,460	1,943,555	6,164,052	5,759,744
Aver. daily	68,886	62,695	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Mar.)	142,062	100,122	240,192	263,982
Boot & shoe prod., pr. (Mar.)	▲2,110,598	1,938,800	5,459,797	4,848,721
Crude petrol. imp. gal. (Mar.)	65,383,000	43,646,874	166,169,265	157,171,158
Cotton imports, lb. (Mar.)	13,558,000	11,242,000	45,221,000	28,503,000
Raw rubber imp., lb. (Mar.)	4,052,000	6,071,408	12,246,272	15,543,508
Coal imports, tons (Mar.)	506,260	526,791	1,489,780	1,500,200
Finance—				
Bank debits (Mar.)	$ 2,598,811	$ 2,235,799	$ 8,358,328	$ 7,006,891
Bond sales (Mar.)	$ 122,846,225	$ 16,377,974	$ 395,417,114	$ 61,339,174
Life insurance sales (Mar.)	$ 31,664,000	$ 31,416,000	$ 96,125,000	$ 93,120,000
Automobile Financing—				
Used cars (Mar.)	$ 1,721,596	$ 1,223,575	$ 3,603,413	$ 2,584,652
New cars (Mar.)	$ 2,177,433	$ 1,756,967	$ 4,220,067	$ 3,544,442

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Apr. 18.

The Reinvestment Problem

Investors holding "called" securities, and faced with the problem of reinvesting to maintain income at or near past levels, will find our current monthly publication helpful. It lists a number of seasoned issues giving acceptable yields.

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C. P. R. DISCHARGES DEBT

International labor celebrations on May 1 did not interest Frederick Bramley and F. C. Millen, secretary and assistant treasurer, respectively, of the Canadian Pacific Railway. On that day they signed eight cheques, the largest for $13,749,053 and the smallest $918,890, and totalling in all $36,755,630. These cheques were in turn handed over to the eight chartered banks, which in 1933 had advanced to the company loans of $60,000,000 carrying the guarantee of the Dominion Government. The May Day cheques represented the final liquidation of the loans, which still had two years to run. While the contingent liability was large, the entire transaction did not cost the Dominion Government one cent, since all interest and other charges were paid by the company.

Background of Business

Board Says Car Users Pay $14 Millions Toll

But Net Benefit of Motor Industry to Canada in 1934 Placed at About $30 Millions — U. S. Tariff Threat

Many are the estimates made from time to time of the net cost and benefit to Canada of the mighty automobile industry. Last week they were put into semi-official form by figures published in the voluminous report by the Tariff Board on the automotive industry and tabled in the House of Commons.

Thus the report says that, excluding freight and licenses, the amount which Canadians paid for their cars, trucks and automobile parts in 1934 over and above what they would have paid if cars had been admitted free from the U. S. during that period was approximately $14 millions. But against this sum the companies paid in Canada for taxes, freight, wages, salaries, materials and services directly attributable to the industry itself, a total disbursement of between $40 and $47 millions. The inference is that in that year the net economic benefit to Canada of the industry was between $26 and $33 millions.

* * *

Good Business

The board, "while not accepting the above comparison as an accurate measure of the value of the industry to Canada is of the opinion, nevertheless, that the figures would indicate that it is good business for Canada reasonably to encourage the maintenance and expansion of the Canadian automotive industry."

Without knowing how much of the $14 millions extra levy should be credited to automobile parts it is impossible to say precisely what this means per car and truck sold for Canadian consumption in Canada in that year. If the total were all credited to cars rather than parts, it would mean an extra cost to Canadian purchasers in that year of about $185 per car, as there was an apparent consumption in that year in Canada of about 76,000 units.

* * *

Merit Rating

Chief item of discussion at the annual meeting of the Ontario division of the Canadian Manufacturers Association at Brantford this week is the question of merit and demerit rating in respect of Workmen's Compensation in that province.

Prior to 1927, there was in effect in that province a system of both merit and demerit ratings, whereby employers with a good accident experience received a refund, and employers with a bad experience were penalized by being charged an additional assessment. Following a discussion in 1927 by the C.M.A., the demerit system of rating was discontinued, and since then only the merit system has been proceeded with.

The present discussion arises because of the way in which the merit rating system is working, the opinion having been expressed that it is not an incentive to accident prevention.

* * *

B. C. Lumber Sales

Lumber exports from B. C. exceeded all previous records for the first quarter of 1936, actually topping by 11 per cent the previous high mark of 1934 on the basis of volume, says the current monthly letter of Royal Bank of Canada. The value of such exports will show even greater gains than volume, since prices have improved materially in the interval.

Shipments to Great Britain have been well maintained and are about 90 per cent of the volume of the first quarter of 1934, but where shipments of lumber to the U. S. for the first three months of 1934 amounted to only 193,000 board ft., they totalled 40 million board ft. in the first three months of 1936.

In addition to export of 40 million board ft. to the U. S., and 113 million board ft. to Great Britain, B. C. lumber shipments to other countries totalled 98 million board ft. in the first quarter of the year.

One feature of the current exports to U. S. is that in the first two months of 1936 the average value of Douglas fir sales to that country averaged $22 per thousand, compared with the $16.50 average for total Douglas fir exports. Apparently the U. S. market is taking a large portion of the better grade.

* * *

Fisheries Busy

Nova Scotia fish landings in March increased almost 70 per cent over the same period last year, according to official figures. Total landing is reported at over 16 million pounds, with a landed value of $350,000. Figures for March, 1935, were 9.5 million pounds with a landed value of $204,000.

Bulk of the increase occurred in cod. Operations were favored by mild weather conditions which prevailed during the month.

* * *

U. S. Tariff Boost?

Just as Canadians are digesting a budget featuring many score tariff reductions, news comes from United States that Matthew Woll, representing the A. F. of L., is to be president of "America's Wage Earners Protective Conference." This body, which is to include practically all farmer organizations, is preparing to launch a big publicity campaign in favor of higher tariffs.

Commenting on this new move, Whaley-Eaton Service, Washington, says: "This whole situation is potentially of great political significance" and points out that this campaign and the actual existence of such sections of the U. S. Tariff Act as that providing countervailing duties against foreign "subsidized products" may yet require the administration to do some things which would make Secretary Hull's policies look foolish.

This move may yet have important implications as far as Canada-U. S. trade relationships are concerned.

* * *

Europe Leads

Commenting on the growth of chain stores and new ideas in retail distribution, Val Fisher in Canadian Advertising points out that Europe has far out-distanced North America in "two such diametrically opposed methods as those of the consumer-owned, co-operative manufacturing and retailing organizations, and of manufacturers selling direct to consumers through their own retail stores."

He cites the Bata shoe manufacturing firm from Czechoslovakia reputed to be the largest manufacturers of boots and shoes in the world, and which has already invaded the U. S. field by opening outlets in Wisconsin.

* * *

Static Control

Perfection of a radio silencer designed to make noise "commit suicide" before it has a chance to mar radio reception is reported by J. J. Lamb, of the American Radio Relay League Laboratory.

The new device is an oscillator to automatically synchronize signal waves which under the new device are picked up on two or more antennae systems, so that the two receivers work independently but in perfect harmony on the principle that "the best signal in radio wins every time and that by this device the stronger or more perfect one will always be the one which survives and becomes sound."

* * *

B. C. Industry Burdened

"Every industry or enterprise in British Columbia is adversely affected in selling in competition with other parts of Canada, and in foreign markets by the excessive social and other taxes in effect today in B.C. as compared with the rest of Canada," said Willis J. West, chairman, B. C. division of the C. M. A., at its annual general meeting recently. Mr. West is manager of Canadian Canners (Western) Ltd.

"British Columbia industries could," said Mr. West, "if given a reasonable opportunity, play their proper role in the economic sphere in giving a maximum of employment and in helping to solve one of the major problems facing the country today, which is the cause of the unemployed."

* * *

New Credit Plan

Merchants in Vancouver, B.C., are now watching with interest the success which is greeting establishment of a central credit organization in Seattle, says Hardware and Metal, Toronto. Under this system customers register with a central credit bureau, and are given a credit card, on which they can make purchases from any of a long list of retail establishments. At the end of the month the customer receives a single bill from the credit bureau itemizing the month's purchases.

The scheme has been arranged so that merchants selling goods under the plan may take their sales slips to the bank, twice a week, or daily if so desired, and receive cash in exchange.

One of the results is to group independent stores together on a department store basis, so far as credit is concerned. The scheme has attracted public attention, and is being widely used, but is as yet not sufficiently mature to clearly reveal the success of the plan from the viewpoint of the merchant.

* * *

Tomatoes Strong

Canned tomatoes worked their way into a strong statistical position during the past year, says Canadian Grocer. Carryover is going to be on the short side—less than it has been for many years. Tomato juice is in much the same position with a number of the large canners entirely sold up.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.00	$6.50	$8.00
Hogs	9.10	9.00	9.85
Copper, lb.	.09½	.09½	.09
Cotton, lb.	.1165	.1161	.1235
Rubber, lb.	.1534	.1578	.1169
Sugar, raw, lb.	.0372	.0375	.0325
Silk, lb.	1.63	1.65	1.38
Wheat (Man.) bus.	.77¾	.77⅞	.87⅛
Coffee, lb.	.06⅜	.06⅜	.07⅛

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	121.5	123.1	126.6
Fishers'	81.6	82.2	82.2
N. Y. Journal of Comm.	78.0	79.3	79.3
Crumps (Brit.)	68.0	68.2	64.1
U. S. Labor	79.1	79.6	80.1
Canada (D.B.S.)	72.1	72.3	72.6

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Apr.)	79.8	80.5	78.7
W'sale (Mar.)	72.4	72.5	71.9
U. S. Labor (Feb.)	80.6	80.6	79.5
Gt. Brit. (Feb.)	76.7	77.2	71.8

Note: The base of indices is that 1926 equals 100. British index is Economist converted to 1929 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers: select bacons, Toronto.

U.S.Markets Will Replace Cheese Bonus

New Outlet Threatened If Ottawa Subsidy Is Continued

SCORE WHEAT POLICY

From Our Own Correspondent

OTTAWA.—The federal bonus on cheese production, paid under the Natural Products Marketing Act in the last six months of 1935, will not be renewed. Hon. J. G. Gardiner, minister of agriculture, issued a statement a few days ago indicating a decision along this line, and the Liberal members representing cheese producing constituencies have accepted the decision.

These members, after canvassing the situation, decided against the bonus policy for two reasons. It was feared that a bonus might endanger the large market in the U. S. opened by the trade agreement. A bonus would mean state dumping and might easily evoke special tariffs at Washington. It was agreed, also, that if a bonus is paid on cheese, one must also be paid on butter, another on potatoes and so on.

Wheat Policy Criticized

While agreeing to recommend against the bonus, these members were extremely critical of the wheat policy now being followed. They believe this policy involves a large bonus to wheat growers. The initial price, fixed last Sept. 6, at 87½ cents per bushel, No. 1 Northern, they pointed out was above the market price at that time and for most of the intervening months has been quite out of line with actual prices.

The loss to the treasury on the sale of the 1935 crop, they estimated, will not be less than $15 or $20 millions and this, in their view, constitutes a bonus to one section of the agricultural industry and, therefore, a discrimination against other sections of it.

BALANCED BUDGETS

The May issue of our Monthly Investment Suggestions contains a brief discussion of this subject and a chart showing for the past six years relevant details of Dominion revenues, expenditures and debt. The investment suggestions embrace a variety of government and corporation securities.

A copy will be mailed upon request.

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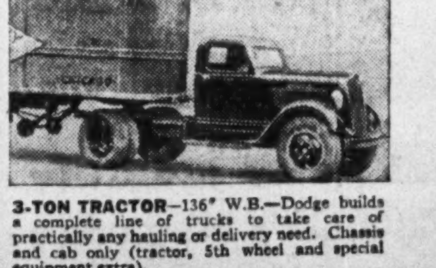
Thousands Acclaim NEW 1936 DODGE TRUCKS with Amazing "PRE-PROVED" Economy

Dodge 1½-Ton Stake—6-cyl.—136" w.b.

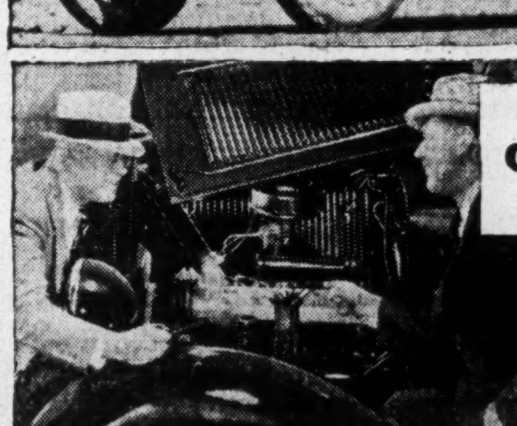
COMMERCIAL EXPRESS—116" W.B.—6 Cyl. —Built to do more work in a day at less cost. Has many acknowledged money-saving features.

COMMERCIAL PANEL—116" W.B.—Canada's smartest Commercial Car—an ideal representative for your business. A real money-saver too! Has all the famous Dodge gas and oil saving features.

2-TON DUMP—136" W.B.—6 Cyl.—Full load capacity. With unusually short turning radius. Does more work in a day, yet costs less to operate! Chassis and cab only (dump body and equipment extra).



3-TON TRACTOR—136" W.B.—Dodge builds a complete line of trucks to take care of practically any hauling or delivery need. Chassis and cab only (tractor, 5th wheel and special equipment extra).



Tests Indicate Savings
OF UP TO $95 A YEAR IN GAS ALONE!!!

TESTS on the road and in the laboratory indicate that owners of the New 1936 Dodge Trucks will make savings up to $95 a year in gas alone . . . and these amazingly economical Dodge Trucks are built to make additional savings on oil, tires and upkeep, that are equally sensational.

The 1936 Dodge Trucks are engineered to deal a smashing blow at truck costs and measurably increase hauling efficiency with "Fore Point" load distribution.

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DOZENS OF MAJOR ADVANCEMENTS AND ALL OF THEM MONEY-SAVERS

Dodge trucks have always been known as quality trucks . . . famous everywhere for extra dependability . . . because Dodge leads in genuine high-quality features!

- "FORE-POINT" LOAD DISTRIBUTION in 1936 Dodge trucks increases hauling efficiency.
- GENUINE HYDRAULIC BRAKES save tires, brake linings and adjustment expense.
- "PRE-PROVED" ENGINE ECONOMY is the result of 6 tried and tested gas and oil saving features.
- EXHAUST VALVE SEAT INSERTS save gas, postpone valve grinding thousands of extra miles.
- 4 PISTON RINGS . . . Dodge trucks are low priced and give you 4 rings, others give only 3.

— Dependable — DODGE TRUCKS

Insist on the New Official Chrysler Motors Commercial Credit Corp. 7% TIME PAYMENT PLAN

You can figure it out for yourself. 1. Start with your unpaid balance. 2. *Then add insurance cost. 3. Then multiply by 7%—for a 12 months' plan. Costs for longer or shorter periods in proportion.

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NO OTHER CHARGES

Canada . . . and the Next Five Years

See Balanced Budgets As Canada's Big Need

Analysis of Contributions to Post's Series Shows Problem Ranks High — Leading Citizens Call for New Deal in Governmental Financing

By KENNETH R. WILSON

Canadians who contributed their views on the nation's leading problems in recent issues of The Financial Post voted unmistakably for a new deal in governmental finance.

Debt, taxation, cost of government, balanced budgets, public credit, and last but not least, the railways,—these are problems named and reiterated more than fifty times in The Financial Post survey "Canada . . . and the Next Five Years."

Balance Budget

Thus to industrialist Ross. H. McMaster, president of Steel Co. of Canada, public debt and high cost of government is the first and most important problem facing Canada at the present time. "Until there is a united effort to bring about a general condition of balanced budget," he says, "there is no possible chance for recovery.

"I am convinced that a sound condition in respect to governmental finances must be achieved as an essential move in the solution of all problems. Relative to national income, the combined expense has reached inordinate proportions. A reduction in the cost of government, the elimination of duplicate services, a balance between income and outgo are required to restore the degree of confidence which is the prime requisite of a return to better times."

Or Improve Production

On the other hand, Canada Packers' J. S. McLean suggests governmental deficits and the high taxes imposed to meet these deficits are really symptoms of trouble. Mr. McLean says cutting down expenditures, letting out employees, reducing salaries and so forth is merely a palliative and that neither a business nor a country is saved in this fashion. His fundamental remedy is bound in the idea of "producing, as a nation, the greatest possible volume of the best possible goods at the lowest possible cost."

Ways and Means

How should Canada balance budgets and reduce governmental expenditures?

The problem is an old one to Dr. H. L. Brittain of Citizens Research Bureau, and he meets the challenge by a clear, constructive plan of attack. Dr. Brittain is one of those who sees the immediate need of Canada as a balancing of public budgets. He deplores the fact that even in 1934 our government operated on budgets unbalanced to the extent of over $192 milions, but feels we are not yet sunk and can extricate ourselves by our own efforts if we will. "They must be efforts, not wriggles or dodges," he warns, pointing out that as a country we have made no real effort to reduce governmental expenditures and that we really do not know what it means.

National Commission

At once he would appoint an administrative survey commission for the country as a whole. If you think this would be "just another commission," read the line-up of questions he wants this major body to answer:

"What department in each jurisdiction could with advantage be co-ordinated, combined or eliminated?

"What services rendered by different authorities could be amalgamated or eliminated?

"What could be saved by centralized control of the permanent staff within each jurisdiction?

"What could be saved in all jurisdictions by the adoption of the merit principle in all appointments, all promotions and all dismissals?

Forgotten Men

"How many forgotten men, obsolete offices and moribund services would be disclosed by a country-wide survey of national, provincial and municipal administration?

"Has the relation of scales of pay, public employment and the income of taxpayers and citizens in general changed in the last seven years? How much? Who knows?

"What could be saved in dollars and human value by the co-ordination of unemployment relief administration? Who is trying to find out? Slashing public estimate is no cure. Some slashes may be more disastrous than some over-expenditures. Real economy does not come without much fasting, prayer, much study and even more determination.

"In any event," says Dr. Brittain, "we must begin to pay as we spend and to spend only as we earn. Credit is based on the ability and willingness to repay loans under adverse circumstances. It is not something to be exploited and exhausted, but to be conserved for vital uses. If we are going to be able to use our credit ten years from now for development of our resources, we must drastically curtail its use now and restrict it rigidly to immediately productive purposes."

Re-establishing Our Credit

Arthur B. Purvis, president, Canadian Industries Ltd., states, "the re-establishment of the credit of the Dominion as a matter transcending at this time in importance all other problems." He sees its solution specifically in two ways: 1, by balancing the federal budget mainly by the normal method of achieving economy, and 2, balancing provincial budgets in order to avoid a continuance of the drains on the national credit.

Leaders Call For New Deal

Ranking next to relief, seen by contributors to The Financial Post's recent series "Canada and the Next Five Years" as the country's biggest worry, comes the problem of taxation and the cost of governments. All are for a "new deal" in government financing and expenditures. Next week the viewpoints of Canada's leading men and women on other pressing problems, stressed in the series will be analyzed.

Elaboration of his views on federal budget balancing leads Mr. Purvis straight to the railway problem, and he cites the testimony of the Duff Royal Commission as evidence from both C.P.R. and C.N.R. that the cutting of the cost of railway service in Canada is practicable and "looms as the source from which the greatest contribution to federal economies can come."

But being a practical man, Mr. Purvis realizes the barrier of public opinion and urges that such public opinion only exists because of failure on the part of citizens to realize the great price they are paying through continuance of unsound federal finance.

Eliminate Duplication

Tackling next the unbalanced provincial budgets, Mr. Purvis urges the scaling down of existing duplication in costs of government, and gives his blessing to some form of Loan Council by stressing the need on the part of the provinces for "willingness to borrow no new moneys except for purposes having the approval of the central government."

An almost similar set of conditions is set out by C. E. Gravel, leading French-Canadian, who thinks a balanced budget can be attained by tackling the railway deficit through curtailed services, elimination of duplicated ticket offices, and so forth; removing duplication of services between provincial and federal governments, that is experimental farms, etc.; reducing the number of civil service employees on the basis of efficiency; by curtailing activities of departments not absolutely necessary.

Cut Government Staffs

Another champion for less costly government is C. H. Carlisle, Dominion Bank head, who recalls that even back in 1929 there were 140,000 persons on the payroll of municipal governments alone with an annual wage and salary bill of $165 millions.

"It hardly seems reasonable," he says, "that intelligent, law-abiding people require so many for their government. It would appear that much greater efficiency in the country's affairs could be maintained if the number of such people was reduced to one-quarter of the present figure."

Mr. Carlisle also feels that modern transportation and communication has eliminated the need for much of our governmental structure developed at the time of Confederation. "If certain localities," he says, "still insist on having a local and provincial government, perhaps it is their own business providing they pay their own expenses, but I cannot see what right they have to ask for federal aid which can only be provided by contributions from all sections of the country."

Buildings Under Fire

Rev. John Inkster claims we have no need of nine provincial legislatures or of such expensive and luxurious buildings and offices and the present elaborate machinery of government, and commission. Even behind the evidences of waste and extravagance, however, this eminent clergyman sees the chief immediate problem as the possibility of bankruptcy now threatening municipal, provincial and Dominion governments. He sees a beginning to a solution of the problem in stopping at once "this reckless and insane expenditure on public buildings and so forth."

B.N.A. Act to Blame?

But some contributors see the roots of the problem lying deeply in Canada's B.N.A. Act. Thus, Mrs. H. P. Plumptre, Toronto alderman, who sees our over-government not only as a drain on the taxpayer but as a hindrance to the "formation and execution of national policies," puts her finger on a very real problem when she says, "Behind this question looms up the spectre of the B.N.A. Act, and behind that again the possibile threat to the stability of Confederation, if any attempts were to be made to change the terms on which Confederation was made possible."

As to a solution, Mrs. Plumptre praises federal-provincial conferences as affording an opportunity for frank discussion, even though lacking constitutional powers, and feels they may give an "intimation of the line along which a greater centralization of policy may ultimately take place, preceding constitutional actions."

Need Income For Taxes

Then there are those who while admitting the need of balanced budgets and lower cost of government, feel with J. S. McLean that these are merely symptoms of a more fundamental disease. Thus, lawyer George Barr of Regina agrees with Mrs. Plumptre, feeling that revision of our constitution is a fundamental need at the present time, and while he believes that "some rational and scientific method of taxation should be instituted to prevent duplication and waste," he feels that "cutting down overhead by government reorganization will not meet the situation without income to pay taxes."

This lack of income on the part of the great majority of citizens, Mr. Barr traces to lack of balance in our economic structure, and he urges that: "Before we can hope to solve our underlying economic problems, a fair and just relationship must be re-established between goods and services and money, and by the expansion of credit, the disastrous trend resulting from deflation and contraction must be corrected."

Wrong Kind of Spending?

And speaking of income, economist Logan of Western University suggests, "our comparative poverty lies not so much in the size of debt, but in the failure to command enjoyable wealth." He then puts forward the interesting view that it is not public expenditures in general which should be damned so much as the type and purposes of the expenditure whether made by the individual or by a public body.

"One reads so much," he says, "about debt and the enormity of spending 20 per cent of the national income through government, and sees so little impartial description of what we get in return. While recognizing the need for guarding our exporting industries against undue taxes, I feel that as between collective and individual spending the argument is not all one-sided.

"School taxes bring better returns to our children than Shirley Temple dolls, and Hydro taxes yield us more than many private ventures which start today, go bankrupt tomorrow and rise again with a 30-cents-on-the-dollar financial responsibility the day after.

"At present we are badly in need of a scientific approach to this whole matter. In years just past we have spent extravagantly and foolishly, and now we are hysterical over the results. Under such conditions, and in view of the organized current of propaganda, we are liable to draw a wrong conclusion from experience.

"The problem is control of the purse strings—the whole problem of intelligent spending—which in turn would seem to be largely a problem of broader economic education."

Octopus of Debt

And the hideous word debt looms for a large number of contributors as the outstanding and fundamental blot on our national landscape at the present time. Businessmen, educationalists, economists and even clergy see it as an octopus destroying trade and opportunity for recovery. The question is, of course, "What to do about it?"

Few see the problem in such clear perspective as Leighton McCarthy, K.C., lawyer, president of Canada Life Assurance Co. and director of many important corporations. He feels there is fundamentally only one basic problem facing the Dominion—namely debt—and visualizes the next five years in Canada centring almost entirely around that one problem.

Privately, Mr. McCarthy feels that Canadians have made a good job of adjusting their affairs through depression, but the steady growth of public debt is to him evidence of too much reliance on government assistance and activity and a departure from first principles in our public affairs.

His credo, which might well be memorized by those who find it hard to see a clear way through the maze of debt cancellation, repudiations and adjustments that are taking place presently, is:

"For our common good, the growth of public indebtedness must be arrested. Not only that, but we must get back to first principles.

"By first principles I mean the common honesty of paying our debts and paying them in accordance with our ability to pay. This is the only road along which any individual, corporation or nation can travel with any degree of self-respect, but it does not bar or outlaw discussions between creditors and debtors of ways and means of payment. That is still a legitimate way out of the dilemma which must not be overlooked."

Debt Warps Judgment

The close analogy between public and private debt is also seen by Sir Edward Beatty, who feels the debt problem "has reached a point of stress, if not of danger.

"In proportion to his ability to pay taxes, every citizen does carry and will carry his share of the burden of public debt. Nothing is more destructive of morale than excessive debt. Individuals who have reached a position of danger in this respect only too often find their judgment warped by their financial troubles. It is not to be expected that a community any more than an individual can escape the corroding influence of such a condition.

"There is no cure for public debt except to pay it. Ingenious devices for refunding and for pooling credit may be useful, although they have their dangers.

"In the end, public debt must be paid. Failure to pay it as agreed or to reduce it from time to time or any idea that there is danger of it being paid with fiat money would create financial chaos in this country. It is the duty of public authorities to repeat that they will meet our collective obligations in full."

Live Within Income

And the cure? Again, a simple formula propounded time and again by many contributors. Thus (says Mr. McCarthy) "the answer to all, however, seems to be: learn to live within our income."

Similarly, Sir Edward Beatty repeats "the time for public borrowing is past. The time is here for living within our income.

"That involves for every individual in this country, entire cessation of political pressure on governments to maintain or increase the scale of their spending, and willingness to contribute more heavily in taxes than will be quite pleasant.

"No argument is good enough to justify in these days any increase in public expenditure. What we need is reduction. Appeals for this or that great extension of governmental expenditures based on the theory that they will stimulate any form of business or aid any class in the community should not be entertained by any patriotic citizen."

Less Liquid Views

Among those who feel our debt burden may have to be lightened by either scaling down or partial default as in the case of Australia is Dr. J. P. Day of McGill. It is preferable, he says, to avoid default and maintain Canada's credit, but the first question for this as for any other country is to decide whether the existing debt burden—that is all debts, government and others— can be carried or not.

"If it is impossible, the only solution is the Australian one of scaling down all debts, public and private, to a possible figure. Such a partial default would certainly badly affect Canadian credit and might have the result that in the future we should be unable to borrow abroad and have to finance ourselves. Even if we could, the scarcity of capital would bring very high rates and cripple enterprise."

And one contributor, Maritimer A. N. McLean, feels the system of creating debt is in part at least responsible for the bondage with which it enslaves us. "There is nothing scientific about the rate of interest on our public debt—simply a slipshod, hit or miss system," he says.

Public Viewpoint Deplored

And, of course, wide currency is given to the belief that behind our debt and public finance problems is the need for a proper attitude on the part of citizens generally. Dr. Cecil Jones of New Brunswick thinks one of the great sins for which the party system of government must answer is the menacing increase in public expenditures and debt. He sees hope that the public are beginning to realize the fallacies of such a situation and says: "In a few years let us hope that any suggestion of such bribes to the electorate will be accepted as an admission of failure by the party making them. Possibly this is more nearly true at the present time than many of our politicians seem to think."

The same thought is in the mind of E. J. Young, Saskatchewan M.P., who says, "So long as the public insists on more government services and more government spending, taxes will continue to increase. The only remedy is a clearer understanding on the part of the people of what government spending involves," he says.

Taxation Enigma

To J. G. Ross, (Asbestos Corp.) taxation, its amount and incidence, is at once an enigma and Canada's chief problem, for: "If this money could not be raised by taxation or deferred taxation (borrowing), budgets would have to be balanced, expensive governing bodies could not exist, railways would have to be grouped and administered in such a way that continual deficits would not have to be met."

He urges getting as many people working as quickly as possible "at some rate of pay;" cutting expenditures in government experiments to the minimum; devising fair, constructive taxation methods particularly those which would encourage productive enterprise.

Q. E. D.

"THAT WHICH IS PROVED"

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WHAT wouldn't mothers and fathers have given in Colonial days to guard their children against the diseases which today your doctor can prevent?

Three of the scourges which formerly took thousands of lives can be kept under control. Every child, and adult too, can now be protected against smallpox, diphtheria and typhoid fever.

Smallpox has practically disappeared where vaccination is widely practiced. In communities where families ignore this protection, it still smoulders, though protected families are safe.

Diphtheria is rapidly being stamped out by immunization against it. Nevertheless, children in this country died of it last year. Have your baby inoculated when he is six months old. A simple test will assure you of complete protection. Then, if diphtheria should break out in your neighborhood, he will be immune.

Typhoid claims comparatively few victims except where suitable sanitary and preventive medical practices have been neglected.

Your doctor can tell you of the means that are used to check epidemics of scarlet fever, whooping cough and measles—and of the vaccines, antitoxins and serums which soften the attacks of these diseases and make the after-effects less damaging.

If, when you were little, you escaped serious consequences from any or all of these diseases, you were lucky. Don't let your child run the same risks. At the time of your child's regular physical examination, the doctor will be able to advise concerning immunization and the building up of resistance against disease.

You are welcome to a free copy of "Out of Babyhood Into Childhood." When you ask for it please address Booklet Dept. 5-F-36.

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Report Wrong

I hold $5,000 of Dominion of Canada 4 per cent bonds maturing in 1960. I have been advised by an investment firm in Portland, Oregon, that the Dominion is contemplating following the example of the province of Alberta and embarking on a conversion scheme. Is there any truth in this?

There is no project under consideration by the Dominion government for conversion of bonds such as those you hold. Even if there were such a conversion, which appears improbable, your holdings are of external bonds which would probably be exempt. The issue you hold is not callable until Oct. 1, 1950.

The report that the Dominion government may be considering a conversion scheme apparently originated with an American statistical service. We have checked on this report in the highest quarters, and can find no substantiation for it. Probably the firm to which you refer has been influenced by the erroneous report.

Walkerville-East Windsor

What is the present position of Walkerville-East Windsor Waterworks Commission bonds? Is interest being paid on the bonds?

Interest was paid in full on Walkerville-East Windsor Waterworks Commission bonds up to Dec. 31, 1935. At the present time no interest is being paid, as these bonds are being included in the Windsor refinancing scheme. While these bonds are not specifically mentioned in the refinancing scheme, it is probable that for each $1,000 bond held, the bondholder will receive two $500 bonds, one bearing interest at two per cent per annum and the other at 4½ per cent. These are the rates which are to be paid on East Windsor and Walkerville bonds respectively.

Consumers' Gas

I would appreciate a report on Consumers' Gas Co. Is its stock a sound investment?

Consumers' Gas is a utility which has paid dividends at the rate of $10 a share for many decades. It has paid dividends since before Confederation. The company is having strong competition at present from use of electric power in heating, but so far it has managed to earn its dividends if one deducts from earnings only the actual amounts spent in repairs and renewals. If one deducts the amount required under the company's franchise, as is done in the balance sheet, the earnings have been several dollars under the $10 a share which has been paid. The company has large reserves which would permit it to pay at this rate for some years. In the meantime, the company hopes that its business will resume the progress which it showed prior to the depression years.

Burns & Co.

A few weeks ago I sold a Famous Players bond and purchased one of Burns & Co. I paid 94 for it and it has now gone down to 82 bid. Can you tell me the reason for this? Is it a safe bond to hold?

You must remember that in bond dealings there is always a spread of one or two points between the buying and selling price. That is, at the time you bought a Burns & Co. at 94, the best bid price was approximately 92. Hence, when you say it has gone down to 82 bid, the market decline is about ten points. A substantial portion of this decline is due to the fact that the 1935 interest of five per cent on the income portion of the bond was paid April 1, 1936. The buyer before that date got this income interest, and this is now deducted from the price.

Another reason for the decline of the bond is that some weakness has come into the market due to default by Alberta, and also to the fact that recent weakness of the stock market in the past has been felt in bond markets also.

Earnings of Burns and Company available for depreciation and for interest charges on the bonds amounted to $905,000 in 1935, compared with $562,000 in 1934. After payment of all charges, including five per cent on the income portion of the bonds, net profit of $235,000 compared with $139,000 in 1934 was shown.

Under normal conditions, it appears reasonable to expect the company to be able to pay full interest on all the bonds.

Western Savings

Not long ago I undertook to purchase a certificate of Western Savings and Loan Association, maturing in 15 years. The certificate calls for monthly payments. I have 15 months paid up, but owing to financial difficulties have been unable to keep up payments. Is this association sound and would it be advisable for me to resume payments?

The security for certificates of Western Savings and Loan Association is applicable only to the cash surrender value of your certificates. To get the full cash surrender benefit from your savings contracts you must keep up your payments over the period.

The company's investments appear to have been conservatively managed, and provided this policy continues you should receive the full amount of your certificate at maturity. If you give up now, you will lose a good deal of what you have deposited.

Standard Paving

I have some common shares of Standard Paving and Materials Ltd., which I bought some years ago at an average price of about $25 a share. I would appreciate any information you may be able to give me as to the standing and future prospects of the company. Are its shares likely to appreciate materially between now and October next?

Standard Paving and Materials has shown substantial losses after all charges in the three years ended March 31, 1935. The report for the year ended March 31, 1936, has not appeared. In any event, the company does not appear likely to be able to resume full dividends on the preferred shares for a long time. There is no prospect of a dividend on the common shares while the preferred is in arrears.

The company operates through subsidiaries as street and highway paving contractors, and supplies sand and gravel for all types of building and construction work, throughout Ontario, Quebec and the Maritime Provinces. These building and paving industries have been heavily depressed, so that the company has suffered from an inadequate volume of business. While there may be some gradual revival of this type of work, heavy programmes of paving and building do not appear to be probabilities in 1936.

St. James Court Apts.

Will you kindly give me any information you may have in reference to St. James Court Apartments 6½ per cent first mortgage bonds? Is there any market for these bonds?

National Trust Co., trustee for bondholders of St. James Court Apartments, is receiving net rentals from the building and has been applying available funds toward liquidation of tax arrears. In the year ended Jan. 31, 1936, tax arrears were paid in full, as were taxes for 1935. The total amount paid in taxes in 1935 was $14,000. After providing for one year's taxes, but before depreciation, earnings of the company amounted to $9,000. After payment of tax arrears and other liabilities, however, the surplus on hand as at January 31, 1936, amounted to only a few hundred dollars You will see from this that there has been considerable improvement in the company's position, and now that tax arrears have been cleared away, there should be something available for bondholders.

We are informed by National Trust Co. that the company may be reorganized in the near future. It is possible some proposal will be made to bondholders in June. This, it is said, will be favorable to bondholders.

The bonds at the present time are quoted at 65 bid. We understand, however a better price can be obtained by getting in touch with those closely associated with the company.

Manitoba Bonds

Would you kindly inform me if bonds of Manitoba are a sound investment?

The province of Manitoba has balanced its budget, with the exception of about $2¼ millions annually of relief expenditures. The province has done a good job of financing in the face of poor crops compared with other provinces. There appears to be no likelihood of a default. Re-election of the present government within the next year would amount to commendation of a conservative financial policy. At present, Manitoba bonds are ranked the highest of any of the four western Canadian provinces.

Famous Players

I have been told that the bonds of United Amusement Co. and Famous Players Corp. are secured by the same assets. Is this correct?

Famous Players Canadian Corp. owns a large though minority holding of the common stock of United Amusement Corp. This common stock is part of the security behind the bonds of Famous Players Corp., but in case of liquidation it comes after the first mortgage bonds of United Amusement Corp.

City of Montreal

Will you please let me know if there are any recent developments in regard to the Montreal city council proposal to refund the city's bonds at a lower rate of interest? What is the general opinion as to what will be the outcome of this agitation?

There have been no recent developments in regard to the scheme of Montreal city council to refund that city's bonds at a lower rate of interest. The refunding proposal has been included in the final draft of the Montreal private bill, which is being considered by the Quebec legislature. At the present time the bill is in committee stage. It is rather difficult to say what the ultimate outcome of the situation will be. It hardly seems likely, however, that the Quebec government will put its stamp of approval on a forced conversion proposal. Quebec's record in connection with supervision of municipalities has been good. It must be admitted, however, that the city of Montreal is not in a first class financial position.

Saskatchewan

As I am now living in England I am somewhat out of touch with the Canadian financial situation. Would you be so good as to let me know whether there is any danger of Saskatchewan defaulting?

Saskatchewan has had serious financial difficulties because of poor crops and low wheat prices. Consequently, the Dominion government has had to pay millions for drought relief in the province, and has also advanced the province nearly $50 millions. The latest word is that the province is going to join the Dominion loan council scheme, which practically ensures payment of obligations maturing in the next few years. Meanwhile, Saskatchewan's economic condition may improve.

C. P. R.

I hold some of the ordinary shares of the Canadian Pacific Railway and in view of the better trend of earnings lately, wonder if there are any prospects of a dividend in 1936. Have you any information on this point?

The position of the C. P. R. is somewhat better, but there still remains a great deal to be done before the ordinary shares are placed on a dividend basis. Last year net earnings of the company available for dividends on the preference and ordinary stock were about the same as in 1934 and indications are that returns for 1936 will be somewhat larger, dependent upon the volume of grain traffic this fall. However, even with an improvement over the 1935 returns, it is not anticipated that the company will be in a position to do anything in the way of paying a common dividend. The stock of the company is still essentially a hope for the future.

Canadian Car

Will you please let me know if Canadian Car has developed other lines of business and what the prospects are for the payment of the dividend this year?

Canadian Car and Foundry Co. is very largely dependent upon the railways for its business, though in recent years it has endeavored to diversify its activities. While the latter move has been helpful, still the company is very largely dependent upon the C. P. R. and C. N. R. for its business. Last fall Canadian Car secured business from the two lines, the first in several years, and it is expected the financial statement for the current year will show a small profit, or at least a much smaller deficit than previously reported. The outlook for the company is somewhat indefinite as the railways have no money to spend on equipment and there is little prospect of a dividend on the preferred at present.

The Woman Investor

Wealthy Women

WOMEN are the traditional custodians of family wealth.

For centuries they wore the family hoard of gold and silver in the form of bracelets and other jewellery—where it was in plain view for purposes of either safety or ostentation. The custom continues in India and other Oriental countries.

Canadian women are, of course, the real owners of millions of dollars in real estate and securities, but they also continue to fulfill the ancient function of holding the family's worldly goods for the common welfare of its members. The basic reason is the same, since Mr. Jones's government bonds and high grade industrials are invariably safer, registered in Mrs. Jones's name, when Mr. Jones decides on "a little fling at the mines and oils."

In the United States, women are majority stockholders in a number of large corporations, including railroads, utilities and manufacturing concerns. The same situation exists to a lesser extent in Canada, where women are among the largest holders of some of the better-known utilities, insurance companies, trust and bank stocks.

* * *

As Bank Shareholders

OUTSTANDING, however, as an example of the rôle played by women as either nominal or actual holders of high grade securities, is the recent compilation of Bank of Canada stockholdings, nearly a third of which are held by women.

Women hold 30,447 Bank of Canada shares, but the largest group are housewives, with 19,359 shares, although a seemingly fine distinction is made in the case of "ladies" holding 6,899. Nurses are the owners of 1,010 shares and widows hold 3,179.

"Housewives" are the group that represent families, and their total holdings are a striking reminder of the survival of the ancient tradition.

In almost ludicrous contrast is the fact that legislators, the group responsible for creation of the Bank of Canada, hold only 17 shares out of a total 100,000. "Gentlemen" own 7,057, newspapermen 445, and undertakers 14 shares.

STOCKS LISTED AND UNLISTED BONDS
Hambly, Peaker & Trent
Members
THE TORONTO STOCK EXCHANGE
613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

IN NEW POST

IVAN W. BURDICK

Whose appointment to the position of general sales manager of Dominion Stores Limited is announced by W. F. Stewart, vice-president.

Rackets

$10 But No Job

A NEW truck racket is reported by "Bus and Truck Transport in Canada." The scheme involved an alleged transport company, whose representative approached unemployed young men in eastern Ontario cities, offering them jobs as drivers between Toronto and Montreal.

In each case, the "agent" insisted that a $10 bond be posted by the driver-to-be as a guarantee that any fines for speeding on the first trip would not leave the employer out of pocket.

Successful in collecting money from one victim in Trenton, Ontario, "Mr. Smith," supposed owner of the "Smith Transport," betrayed himself when he indulged in alcoholic refreshment with his new "employee."

While "Mr. Smith's" loosened tongue painted the advantages of a truck driver's career, other young men in the town were scurrying around to get the necessary $10 "bond."

* * *

Police Intervene

LOCAL police became interested, investigated, found that the story did not ring true, and detained "Mr. Smith."

"Mr. Smith's" record came from Ottawa authorities in reply to enquiries by Trenton police. It appeared there had been a mistake in the name. "Mr. Smith" was really Mr. Rigsby, a name famous chiefly for the number of convictions associated with it.

Mr. Rigsby, alias Mr. Smith, was charged with intent to defraud.

Finance Firm Earnings Gain

Traders Finance May Have Increase on 1936 Business

Traders Finance Corp., Toronto, is experiencing substantially increased earnings this year. It is anticipated that net earnings for the full year will exceed the $233,000 available for payments to holders of preferred shares and income funding rights in 1935.

Elimination of arrears of preferred dividends was effected in 1935 by issuing income funding rights to shareholders. Annual interest on these rights is $20,460. Annual dividend requirements on the 6 and 7 per cent preferred shares are $129,334. Thus the total required for payments to holders of these issues is $149,794 annually. Present earnings are therefore well in excess of requirements.

Net profits for the first quarter of 1936 are understood to have been approximately $85,000 compared with some $53,000 in the 1935 quarter. New business for April was 23.2 per cent greater than in the 1935 month. For the first four months of 1936 new business booked was 12.4 per cent above 1935 volume, it is understood.

A greater portion of new car sales is being conducted by the installment financing method. Also, the $30-a-month plan has resulted in a greater proportion of Ford dealer financing going through Traders Finance.

Traders Finance Corp. had gross income of $1,030,00 in 1935, compared with some $636,000 in 1934. Consequently net profits increased to $233,000 from about $131,000 in 1934. Dividends were resumed on the preferred in 1935.

Woven into the SOCIAL FABRIC OF CANADA

Like a strand, intricately woven, the Canada Permanent Mortgage Corporation is an integral part of the whole social fabric of Canada. For 81 years it has been a vital factor in community development throughout the Dominion. It has proved a dependable guardian of Savings; has promoted confidence and encouraged national thrift.

FOUNDED 1855

CANADA PERMANENT Mortgage Corporation

HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

Sun Life Sells Out Stock Holdings in Price Bros.

From Our Own Correspondent

MONTREAL. — Widely increased speculative interest in the capital stock of Price Bros. and Co. and sale of its holdings by the Sun Life Assurance Co. of Canada, feature the list of stockholders published by the receiver.

In the main stockholders at the time of bankruptcy have held on to their shares in the hope of the company making a comeback or a reorganization being effected which would restore their securities to good standing.

Some looked upon the situation as hopeless, or decided their funds might better be invested elsewhere, and got out. In this latter category is the Sun Life, which sold 6,180 shares of preferred and 8,359 shares of common stock.

Brokers Add to Holdings

Speculative interest in the preferred stock is shown by the holdings in the names of brokers. A. E. Ames and Co., for example, increased holdings in its name during the period February 5, 1934, to March 25, 1936, from 15 to 975 shares. C. J. Hodgson and Co., Montreal brokers, are now registered as holders of 5,950 shares, as against 5 shares two years ago.

The more important changes in holdings of Price Bros. preferred shares follow:

	Holdings as at Feb. 5 1934	Holdings as at Mar. 25 1936
A. E. Ames & Co.	15	975
L. G. Beaubien & Co.	265	562
Drury & Thompson	1,315	725
Garneau & Ostiguy	....	324
C. J. Hodgson & Co.	5	5,950
MacDougall & MacDougall	190	567
McDougall & Cowans	311	541
Canada Life Assurance	1,000	....
English Assoc. of Amer. Bond & Share Holders, London	1,352	1,502
Sun Life Assurance Co.	6,180	....

Wide Speculative Following

The real evidence of speculative interest in the fortunes of Price Bros. and Co. shows up in the list of common stockholders. With the past history of the company in mind and considering the small value placed on the common, many speculators have bought into the company.

With one or two exceptions shares registered in the names of brokers have increased severalfold. Hansons and Macaulay, of Montreal, is one notable exception, holdings dropping from 18,625 to 8,510 shares.

Changes in major share holdings of the common stock follow:

Common:	Holdings as at Feb. 5 1934	Holdings as at Mar. 25 1936
A. E. Ames & Co.	529	3,185
O. E. Armstrong & Co.	290	625
L. G. Beaubien & Co.	2,295	2,410
C. H. Burgess & Co.	....	600
Crane & Co.	410	550
Crouch & Co.	4,150	6,150
Crutchlow, Dean & Co.	9,579	6,974
Drury & Thompson	7,361	5,236
Flood, Potter & Co.	365	500
Garneau & Ostiguy	510	1,545
Greenshields & Co.	1,225	5,175
Hansons & Macaulay	18,625	8,510
Hickey, Donaldson & Co.	3,535	2,865
C. J. Hodgson & Co.	4,155	8,800
Holt, McMaster & Rankin	940	460
Holt, Rankin & Child	....	5,100
Jones, Heward & Co.	645	1,135
MacDougall & MacDougall	5,921	7,265
R. Moat & Co.	170	1,390
Molson, Lawson & Co.	100	1,575
McCuaig Bros. & Co.	1,940	3,085
McDougall & Cowans	1,300	1,825
Oswald & Drinkwater	329	713
Pitfield, Mathewson & Co.	8,064	2,758
Pitfield & Co.	....	1,895
Schmidt, & Co., N.Y.C.	18,600	14,700
Smith, Fairbanks & Co.	625	731
Stocken and Concanon, London	1,424	3,299
John H. A. Acer	....	2,500
*W. M. Aitken & Co.	25,625	25,125
L. J. A. Amyot	2,000	....
‡H. L. Austin & Paul Tessier	156,864	151,489
Bankmont & Co.	495	420
Candn. Assets Realization	25,565	25,565
Can. Inter. Invest. Trust	1,000	1,000
C. R. Leonard, N.Y.C.	1,532	100
Moore, Leonard, Lynch, N.Y.C.	9,480	5,940
Henry Edward, Price	811	211
J. H. Price (in trust)	5,000	....
▪Roycan Co., No. 1	40	3,140
Sun Life	8,359	....
R. N. Tweddell (in trust)	2,975	100

*Representing Lord Beaverbrook.
‡Nominees of the Royal Bank of Canada.
▪Representing Royal Bank of Canada.

Listing Stocks Of Carnation Co.

Canadian Trading Begins This Week on Toronto Exchange

Application for listing the 38,892 preferred shares of Carnation Co. on the industrial section of the Toronto Stock Exchange has been approved by the managing committee. The stock was called for trading Tuesday, May 12, ticker abbreviation being C M K.

Carnation Co. was incorporated under the laws of Delaware in 1920 and has an authorized capital of 800,000 no par value common shares, and 50,000 first preferred shares $100 par. Head office is in Wilmington, Delaware, and the Royal Trust Co. will act as transfer agents and registrars for the preferred shares in Canada.

Carnation Co. was originally known as Carnation Milk Products Co. but the name was changed to its present title in 1929. The business was first established in 1899, and has expanded steadily both in volume of its operations and in the variety of its products.

Carnation Co. and its subsidiaries own and operate plants, known as condenseries at 26 points, and receiving stations for evaporated milk at 12 points in Canada and the United States, and also operates one condensery, and one receiving station which are leased. Direct sales offices are maintained in 14 leading cities of Canada and the United States, and mills for the production of cereals and feed are owned and operated at 4 points in Pacific coast states.

Yearly average consolidated net profit for a period of 10 years ending 1935 was $1,129,787, while for the year ended 1935 net profit was $1,140,212.

Hayes Board Down to 7

Board of directors of Hayes Wheels & Forgings Ltd., Merritton, has been reduced to 7 from 9 members. The change has been effected by by-law of the company passed April 27, 1936.

Saguenay Power Company
LIMITED
5½% Cumulative Preferred Shares
Price: At the Market, to yield 5.50%

After giving effect to adjustments arising from recent financing, the net profits of the Company in 1935 available for dividends on these cumulative preferred shares amounted to $1,252,931 as against dividend requirements of $275,000.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Propose Reorganization For Montreal Debenture

Reorganization of Montreal Debenture Corp. is proposed in a letter sent out to bondholders over the signature of C. C. Campbell, secretary-treasurer.

Under the terms of the proposed scheme, which directors are prepared to recommend to bondholders, the present bonds would be replaced by common stock on the basis of one share for each $100 bond. All other securities would be eliminated.

The fundamental point of the suggestion, the letter states, is that the common stock would have the same value back of it in mortgages and real estates as the present bonds have and it would thus be possible to place a valuation on these assets in keeping with present-day conditions. This would result in a reduction in the company's taxation. It is also suggested that one or two subsidiary companies might be eliminated.

In 1935 the company had a net loss of $9,808, so that no interest was paid on the company's income bonds. It was one of the units of Canadian Terminal Systems.

NORANDA
Our analysis of Noranda Mines, Limited, issued periodically since 1926, has been revised to include recent information on the Company. Copies available on request.
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC SHERBROOKE
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THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
AGENCIES
EQUITABLE LTD. CALGARY, ALBERTA
BUTLER BYERS BROS. LTD. SASKATOON, SASK.
McCALLUM-HILL AND COMPANY, LIMITED REGINA, SASK.

"MARATHON" INDUSTRIAL LUBRICANTS
Stand Between Your Plant and **FRICTION!**

WHETHER it be in the transmission drive that carries power to great machines or the gears and bearings of some high-speed unit, FRICTION takes its toll in expense for repairs, replacements and decreased production. "Marathon" Industrial Lubricants have the full-body and rugged stamina to withstand industry's varied and exacting demands for they are made from the finest selected crudes obtainable and their formulae are the result of extensive research by McCOLL-FRONTENAC Industrial Engineers in Canada's leading manufacturing plants.

If you have a difficult lubrication problem — call in the McColl-Frontenac Lubrication Engineer. He can solve it — as he has solved hundreds of others.

CALL IN THIS MAN
He is the McColl-Frontenac Lubrication Engineer, fully qualified to survey your plant and recommend the correct grade of lubricant at all danger points. Feel free to call on his experience at any time—his job is to serve you and save you money.

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Made in Canada — To Serve Canada's Industries
McCOLL-FRONTENAC OIL CO., LIMITED
THERE IS A SERVICE BRANCH NEAR YOU—WRITE OR TELEPHONE

Alberta Plans New Wrinkle In Certificates

Treasury May Retain Cash by Issuing Wage Notes

FOR ROAD COSTS

From Our Own Correspondent

EDMONTON. — Appontment by Mr. Aberhart of a new member to his cabinet—Hon. Lucien Maynard, 28-year-old barrister from St. Paul, Alta.,—as minister without portfolio but assigned to promotion of "social credit principles" has given to Alberta citizens a broad hint that something new in the way of financing is to appear in the province soon.

And that new system, it is expected, will be issuance of "certificates." Premier Aberhart has repudiated the term "scrip."

The certificate scheme really appears to be a way for the province to pay by issuing new debt and keeping its cash in the treasury.

Treasury's Cash

Maynard's present plans call for use of certificates within the next few weeks. It is intended now to use them in connection with the huge highway programme the province is undertaking this summer, although Hon. W. A. Fallow, minister of public works, has declared that "unless there is some change in plans" nothing but cash would be used in the road projects. There now is $2,250,000 available for this programme and three quarters of it is federal government money. Mr. Fallow has been in Ottawa during the past week conferring with Hon. Norman Rogers concerning the programme.

Under Mr. Maynard's plan, men hired on these projects from the relief rolls would receive wages in the form of certificates. Should this policy be followed, there has been no statement of plan yet as to whether the "bank money" would be used for a still larger road programme or whether it would be put aside in the provincial treasury—in effect traded for certificates—as the nucleus of a reserve fund.

Government in Business

But even if the certificates plan is not adopted for the highway programme, it will be used in the near future for furtherance of a programme of industrial expansion which Premier Aberhart has declared to be the government's plan for the year.

Organization and construction of a provincial electric power system, government loans to help new manufacturing industries, and a parental eye on the livestock industry, with government purchase and "finishing" of poor conditioned livestock offered for external marketing, are among the schemes.

A survey of all industrial establishments in the province is being started, to determine the fields now open for expansion so that Albertans may consume Alberta-produced manufactures as well as raw materials.

Heavy Taxation

Taxation on Alberta people is now about $3,500,000 more per year than it was when the avowedly Social Credit government came into power.

Premier Aberhart admits this is not exactly increasing purchasing power. But, he says, this condition is merely temporary, and the end—basic dividends and social security for all—justifies the means.

Mr. Aberhart's taxation programme is not being accepted by Alberta citizens with entire aplomb, and the reaction is being exerted on the private members of the Social Credit party in the legislature.

Social Credit members of the legislature have been receiving some irate comments from their constituents on the entire lack of "social credit" progress.

Premier Aberhart no longer has the unconditional support of his caucus. On the highest authority (although the members involved will not allow names to be quoted yet) it is declared that during the late days of the recent legislature session the caucus got the upper hand over the cabinet, and that some of the language directed at the premier during those secret sessions was of the plainest variety.

"Unless the premier does something about establishing real 'social credit' before the next legislature session opens, we're going to throw out the whole cabinet and form a new government," one of the most prominent members of the party told The Financial Post.

Then he added that the premier, several months ago, had anticipated this very plan and had warned the caucus that if any attempt were made at rebellion, the legislature would be dissolved and a new election called.

Credit and Cash

All proposals for establishment of some "social credit" system lie now in the hands of private members of the party—and chiefly in the hands of the special "social credit" committee of the caucus. This committee, convoked last week, conferred with the premier and the cabinet for four days, but progress was reported to be almost nil.

Meantime it was made known that the premier is worried by the present financial position of the province—the fact that it defaulted on a $3,200,000 bond maturity April 1 and now faces the necessity of meeting July 1, a $450,000 University of Alberta issue whch the government guaranteed and, on Nov. 1, a $1,250,000 provincial maturity.

Bank Said Bluff

It is understood that the resolution for a provincial bank in Alberta was a bluff, designed to distract attention from other things and provide Ottawa with something to think about.

This resolution was presented to the legislature on the last day of the session and was adopted. It provided for overtures to the federal government for a bank charter, this to be followed by Dominion and then provincial legislation.

Lieutenant-Governor William Legh Walsh warned the government not to present the provincial bank proposal in the form of a bill because, he said, he would not give his permission for its presentation.

HAS BIG JOB

HON. LUCIEN MAYNARD

Twenty-eight-year-old Alberta lawyer who has been sworn in as provincial minister without portfolio to promote "Social Credit" principles among Albertans.

Empire Travelogue Tour Planned for August 1

Dr. Frank Carlton, of Mimico, is planning an Empire tour, visiting 900 points throughout the world and starting Aug. 1. The trip will take over two years and will be in the form of a movie travelogue featuring industrial and tourist attractions of the Dominion.

Four years ago a similar tour of the West Indies was undertaken in the West Indies under the sponsorship of the Ontario government.

Company Reports

Algoma Central Railway

Improvement in rail and steamship receipts enabled Algoma Central and Hudson Bay Railway Co. to report an increase of 110 per cent in net earnings in 1935.

Higher railway receipts were entirely due to an increase in freight revenue. Betterment in the operations of Algoma Steel Corp. at Sault Ste. Marie, increased pulpwood traffic and greater activity in the Michipicoten mining area all contributed to the improvement.

The deficit in working capital account was further increased, largely due to changing of bond interest and other accruals which were not actually paid. Of current liabilities of $4.2 millions, $816,308 is accrued rentals owing to Algoma Central Terminals Ltd. and $2.5 millions is accrued but unpaid interest on the company's first mortgage bonds. Creditors and credit balances total $898,799.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Railway rcpts.	1,172,345	1,059,392
Steamship rcpts.	416,607	222,975
Operating rev.	1,588,952	1,282,367
Less: Rly. exp.	976,654	913,116
Steamship exp.	354,831	198,763
Admin. exp.	76,953	77,574
Taxes	41,188	39,855
Operating profit	139,326	53,059
Add: Int. on invests.	12,163	11,419
Land rentals	24,750	24,500
Less: Int. on notes	12,362	11,200
Net earnings	163,877	77,778
Less: 1st mtge. int.	515,425	515,425
Int. on unpd. rental	31,205	23,715
Terminal rent	149,781	149,782
Loss for year	532,534	611,144
Add: Previous deficit	2,640,724	2,029,580
Deprec. for 1931	81,552	......
Deficit forward	3,254,810	2,640,724

Working Capital
As at Dec. 31

	1935 $	1934 $
Current assets	1,084,157	1,265,733
Current liabs.	4,292,233	3,634,024
Excess of curr. liabs. over curr. assets	3,208,076	2,368,291

United Steel

Net profit of United Steel Corp., Toronto, amounted to $1,343 in 1935. This compares with $15,506 in the 14½ months ended Dec. 31, 1934.

Earnings are short of dividend requirements on the company's 32,976 preferred shares of $25 par value. Profits were equivalent to 4 cents a share on the preferred stock while dividend requirements amount to $1.50 a share.

Working capital showed an improvement of $247,000 during 1935.

Accounts of Standard Steel Construction Co. are not consolidated in the United Steel statement.

Income and Surplus Account

	Year Ended Dec. 31 1935 $	Oct. 14 1933 to Dec. 31 1934 $
Operating profit	63,970	83,059
Less: Bond interest	17,990	13,066
Depreciation	20.447	20,263
Exec. salaries, etc.▲	8,241	75
Oper. betterments	15,049	31,614
Prov. for taxes	900	2,536
Net profit	1,343	15,506
Add Prev. surplus	15,506	......
Balance forward	16,849	15,506

▲In the period ended Dec. 31, 1934, executive salaries and legal expenses were deducted as operating expenses.

Working Capital

	1935 $	1934 $
Current assets	620,937	349,239
Current liabilities	72,122	47,933
Working capital	548,815	301,306

Anglin-Norcross

Anglin Norcross consolidated financial statement for the year ended Feb. 19, 1936, shows an improvement in earning power as compared with the preceding twelve months. An operating loss was converted into a profit, and after taking into consideration investment income and other charges, there was a surplus for the year of $19,938, as aganst $10,670 in the 1935 fiscal year.

Reflecting improvement in earnings, working capital increased by about $50,000 to $784,472. The principal change in the balance sheet is an increase in bonds, call loan and investments from $545,185 to $653,937.

No dividends were paid during the year, nor was any of the preferred stock called, the directors deeming it advisable to wait until such time as volume of new business warrants such action.

Income and Surplus Account
Years Ended Feb. 28

	1936 $	1935 $
Operating profit	27,945	*9,128
Investment income	32,169	37,929
Life insurance c. v.	......	13,341
Disc. shares redeem.	......	2,904
Net revenue	60,114	45,146
Less: Depreciation	30,451	26,949
Directors' fees	3,025	3,650
Income tax	6,700	3,777
Surplus	19,938	10,670
Previous surplus	135,797	125,127
Surplus forward	155,735	135,797

*Loss.

Working Capital

	1936 $	1935 $
Current assets	850,085	917,459
Current liabs.	65,613	184,469
Working capital	784,472	732,990

Great Lakes Power

Improvement in the operations of Great Lakes Power Co., Sault Ste. Marie, continues. During 1935 operating revenues of the company increased 8.9 per cent and during the first three months of 1936 the increase over the corresponding period of last year was 7.1 per cent. The gains are due to greater use of power by Algoma Steel Corp. and mining companies.

Net profit for the first quarter of the year was more than double earnings for the first quarter of 1935, amounting to $38,046.

Income Account
Three months ended March 31

	1936 $	1935 $
Gross earnings:		
Electric	194,936	168,962
Hydraulic	15,713	15,713
Other oper. rev.	60	38
Gross oper. earns.	210,709	184,713
Add: Other income	154	1,039
Less: Oper. expenses.	24,296	24,630
Maintenance	5,912	4,105
Prov. for retirement	30,015	30,016
Taxes, prov. & local	13,,239	12,556
Income taxes	6,202	1,914
Net earnings	131,199	112,531
Less: Int. on bonds	21,352	23,295
General interest	71,801	73,686
Net profit	38,046	15,550
Less: Pref. divds.	13,125	13,125
Surplus for period	24,921	2,425

Great Britain & Canada

Great Britain and Canada Investment Corp.'s financial statement for the year ended March 31, 1936, discloses a slight contraction in gross revenue, but gain in the market value of the company's investments.

Gross revenue at $233,526 shows a decrease of about $22,000 from that reported in the previous year. After taking care of expenses and interest, there was a surplus of $25,184, as against $35,351 in 1935.

Balance sheet shows book value of investments at over $7.1 millions, as against a market value of $5 millions. At the end of March, 1935, book value of investments was nearly $7.5 millions as against a market value just under $4 millons. During the year the corporation purchased a further $348,500 of its debentures, reducing the amount outstanding to $4,041,500.

Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Investment income	233,005	253,429
Stock dividends	......	1,013
Interest earned	520	633
Gross revenue	233,526	255,077
Less: Expenses	19,620	16,925
Bond interest	188,722	202,801
Surplus	25,184	35,351
Previous surplus	155,572	120,221
Surplus forward	180,756	155,572

Int. Utilities Set-up Better

Canadian Subsidiary, Dominion Gas & Electric, Reduces Bonds

During 1935 International Utilities Corp. reduced its investments in and advances to General Water Gas & Electric Co. and Dominion Gas & Electric Co. and their subsidiaries from 72 to 56 per cent of the aggregate, states P. M. Chandler, president, in annual financial report.

In the case of Dominion Gas & Electric Co., which under Utility Shareholdings Corp. controls all Canadian subsidiaries, $1.7 millions of 6½ per cent series of collateral trust bonds were tendered for cancellation and delivered at an aggregate price of $1.5 millions. These bonds had been owned by International Utilities Corp. and other subsidiaries. The profit of $401,775 was credited to consolidated capital surplus.

Investments Gain in Value

At the end of 1934 marketable securities held by the company were nearly $1.2 millions which was below their cost. Such securities held at the end of 1935 aggregated $2.8 millions at market levels and this was $360,259 above cost.

As a result of the merger of Canadian Utilities and Union Power Co. and resultant financing, old bonds were released from indenture underlying Dominion Gas & Electric bonds and proceeds were used to retire $2.4 millions of Dominion Gas bonds inclusive of $1.7 millions tendered by International Utilities. The outstanding issue of Dominion Gas & Electric is now down to $3.9 millions.

During the year the bank loan of Northwestern Utilities was entirely repaid. Its new bonds were reduced by sinking fund operations by the end of 1935 to $2.1 millions.

Dividends Higher

At the end of 1935 the company had no bank loan outstanding and was not indebted to any subsidiary. It paid 87½ cents and 43¾ cents a share respectively on the $7 and $3.50 prior preferred stocks for each of the first three quarters of 1935. In the last quarter the rate was raised to $1.25 and 62½ cents a share and in the first two quarters of 1936 to $1.50 and 75 cents a share. This was in line with the increase in profits.

In an effort to simplify the capital structure of the system the company dissolved during 1935 or later Cedar Holding Corp., International Public Utility Corp., Edgecott Utilities Corp. and Utility Shareholdings Corp. American Equities Co. as a result will be the only remaining subsidiary investment company.

Winnipeg Office Space

Vacancies in Winnipeg office buildings are now only 19.2 per cent. The average for 55 American cities is 24.51 per cent.

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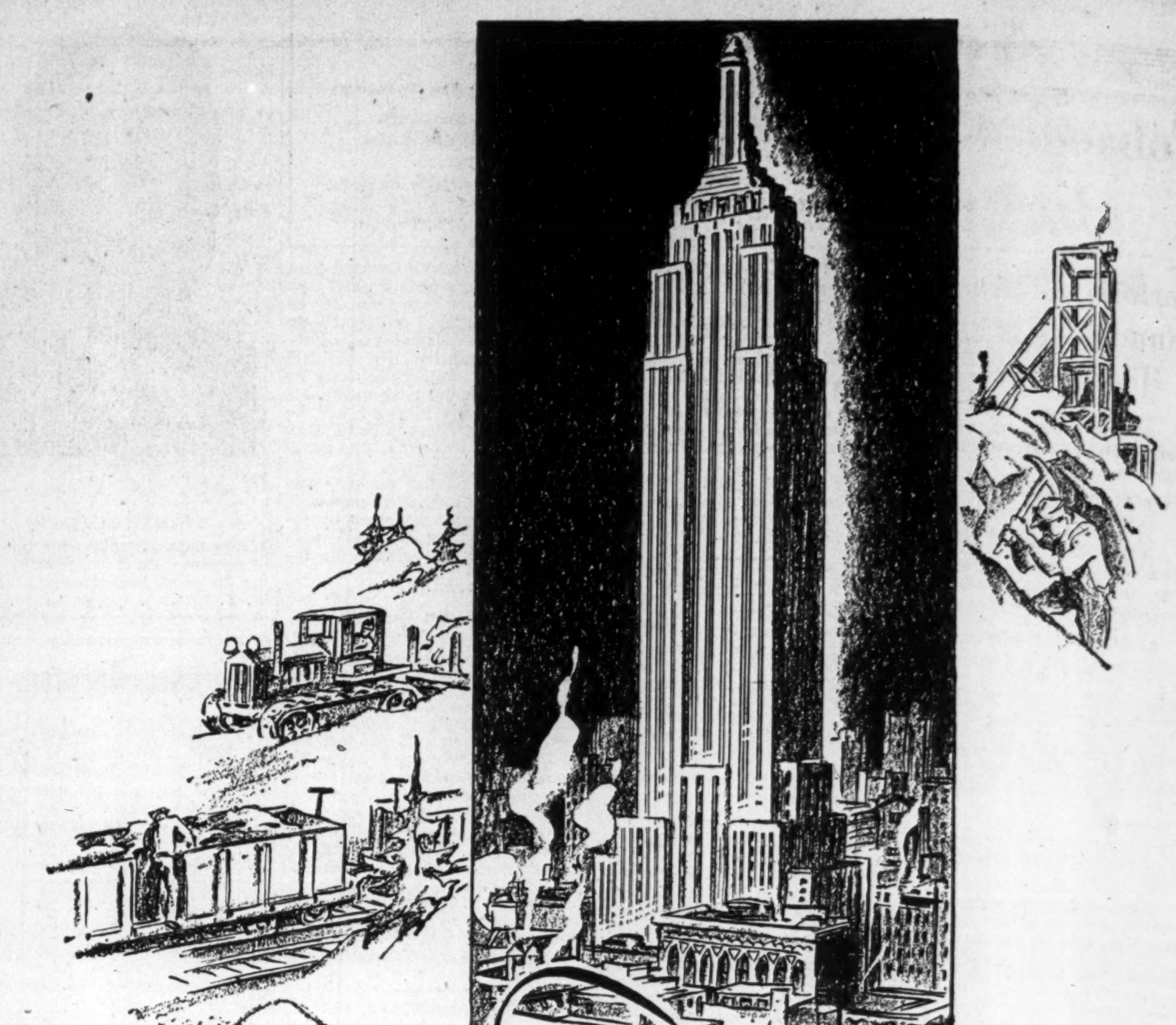

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THE FINANCIAL POST

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Tobacco Growers Claim Success In Production Control Scheme

Norfolk County Group Determine Number Entitled to Grow Crop—Higher Prices Follow Regulation

Uniform farm crops and steady profitable prices with no waste of hard labor have long been an agricultural dream. Now through man-made plans is such a thing possible?

No, says the average farmer.

Yes, answers the flue-cured tobacco grower in Norfolk County, Ontario, and in the accompanying article the peculiar position of this crop and its apparently successful control so far are described.

By GORDON L. SMITH

Undaunted by the failure of the A.A.A. in the United States, World Wheat Conferences, the Stevenson rubber plan, our own jam scheme, and a score of other agricultural panaceas, a group of tobacco growers in Norfolk county, Ontario, have gone ahead with the frankly avowed object of definitely limiting their production by artificial means. After a couple of years of experiment, they are satisfied they are on the right track.

Rights at $100 Per Acre

Two years is much too short a time to make an accurate appraisal of any agricultural experiment. Nevertheless, the fact that so-called hard-headed businessmen in the thriving town of Simcoe, Ont., are prepared to part with $100 in cold cash for the right to grow an acre of tobacco would indicate a certain amount of conviction.

Such prices for rights have been actually paid this spring. Nothing else was included. The successful buyer furnished land, plants, kilns, fertilizer and the very considerable amount of labor necessary to produce high-class tobacco. For his $100, all that he got was the permission of a small committee, appointed by the growers' association, to plant a crop.

Big Profits

Last year, tobacco growing proved highly profitable, for growers on the sandy soil of Norfolk. One of the best crops in the ten years history of flue-cured tobacco in that area was harvested. Over $8 millions in new money poured into the district and average net profits were about $50 per acre. For this, control advocates take most of the credit.

Three years before, the same district was on the verge of bankruptcy. In contrast to last fall, when tobacco sold freely at almost 25 cents per pound, values fell to around 15 cents. Production costs are conservatively estimated at 20 cents per pound. Even in a year of big crops, the record for probably the best managed plantation in Norfolk is over 16 cents. Hence, when prices fell below this minimum figure, leaders in the industry were perturbed. They had good reason to be. Big money was at stake.

An Expensive Crop

Tobacco is one of the most expensive crops a farmer can produce. Though originally some of the present tobacco land could have been purchased for $15 per acre, most of today's growers paid far more than that. It is now valued at $100 to $200 per acre. But in addition to land, there is a big investment in kilns for curing. There is special machinery used for cultivating, harvesting and curing the crop. There is a heavy bill for fertilizer and fuel. And labor expenses to the grower of most farm crops would seem appalling.

Chaos Two Years Ago

As is rather natural when the market breaks and an industry gets headed for disaster, friction appeared. Unchecked, it soon reached fireworks. Until a little over a year ago there was always quite a large amount of the first named trouble-maker between the grower and the half dozen big tobacco companies which purchased the crop.

The Stevens Price Spreads probe offered growers a golden opportunity for airing their grievances. They took advantage of it with such gusto that their wails were heard from one end of the Dominion to the other. Even the buyers, or rather the heads of the big tobacco companies representing the buyers, were impressed, and immediately announced they were prepared to cooperate in any reasonable plan the producers could suggest.

Prosperity Followed Probe

The present prosperous tobacco era dates from the Price Spreads probe. Whenever control comes up for discussion, sooner or later the conversation drifts back to that enquiry, and the name of H. H. Stevens is usually mentioned with gratitude. There is even some talk of a monument. But alas, the Stevens candidate in the late federal election did not get a majority of the tobacco growers' votes, let alone anything like a majority in other parts of the constituency.

But the probe evidence was used as a basis to build up a better understanding between growers and buyers. From that understanding has developed the present situation, where so many acres are allotted to each grower, and grade for grade each man in the agreement receives the same price.

Now that the smoke has cleared away and mutual distrust has been replaced by mutual admiration, growers admit that much of the probe evidence must be taken with a little salt. Hard things were said about the buyers then, which it seems were not altogether merited. "We really couldn't expect a buyer to come into the district and pay 25 cents for ten million pounds of tobacco, when he never could be sure that a competitor would not come in later and buy his supply for 15 cents," one of the growers candidly declared.

Tobacco Growing Limited

Failure to control various agricultural projects in the past did not worry the tobacco growers when they along with the buyers set about putting their house in order. They argued that their case was different. Whereas wheat can be grown in almost any part of Canada, and the same is true of potatoes, milk, eggs and most other farm products, flue-cured tobacco, it seems, can be produced satisfactorily only on a certain very limited type of soil. From a climatic standpoint, too, the area is again limited. Three years out of five, it is declared, it cannot be cured properly before frost, ten or fifteen miles back from Lake Erie. The accompanying map shows the present area.

But there are other points in the set-up which favored successful control. There is a duty on American tobacco coming into Canada of about 40 cents per pound. Up to a year or two ago, Canada imported quite a lot of tobacco from the southern states. Much of this, Canadian growers maintain, could have been duplicated in Norfolk. Recently, manufacturers have been using more and more Canadian tobacco in their blends. Some Canadian cigarettes run well over 90 per cent domestic leaf.

Big Market

As Canadian total tobacco consumption amounts to about 40 million pounds annually, and probably 30 millions of this could be supplied from domestic sources, this gives the flue-cured growers in Norfolk a big home market. Crops recently have been running as high as 35 million pounds. But growers are not worried over this surplus for there is an almost unlimited market in Great Britain. There, consumption is estimated at 140 million pounds. Canadian exports of flue-cured tobacco last year amounted to 13 million pounds.

There is an empire preference of about 50 cents per pound in an agreement that still has five years to run. The only other Empire competition comes from Rhodesia, and tobacco in that country has a distinctly Turkish flavor, which limits its use. Norfolk is developing at the expense of the southern states. The latter's production has been largely displaced in the Canadian domestic market, and, if quality and volume are assured, it can also, it is claimed, be largely displaced in Great Britain.

In Few Hands

If engineers are asked to control the flow of any river, they immediately erect their flood gates where the banks are narrowest. Acting on this principle, tobacco growers and buyers sought the narrowest channel in the industry. This, they discovered, was the point where the cured leaf flows out of the growers' kilns in the fall into the hands of the buyers. Certainly the channel is extremely narrow here. The major buyers in Canada could find seats at the ordinary bridge table with one place for a kibitzer. They represent:

1. Imperial Tobacco Company (manufacturers).
2. Canadian Leaf Company (leaf merchants).
3. Hodge Tobacco Company (Macdonald Tobacco Co.).
4. Leamington Tobacco Sales (leaf buyers for Rock City Tobacco Co.).
5. Consolidated Leaf Tobacco Company (leaf merchants for English buyers).

Five Major Buyers

The above firms handle practically the entire crop. They buy tobacco for local manufacture and also for exporting to Great Britain. Nine growers and five buyers or packers constitute a buyers committee. With accurate figures regarding crops, quality, acreage, etc., they agree on a basic price each fall for all tobacco grown under the control scheme. And in the last two years these prices have been maintained.

The board is rather proud of its statistical service. It is claimed that they know within a very few hundred pounds of the amount of the crops coming on, the amount each man has in his kilns, the number of acres in the approved acreage, and also the numbers of acres grown by the independents. Such accurate statistics, they claim, are the basis for the scheme of control.

Acreage Control

In the spring another committee decides what acreage should be grown. Members of the tribunal are Francis Gregory, former tobacco buyer and now a big grower; Howard Hagerman, a grower; H. A. Freeman, former southerner from United States and now a big Norfolk grower, and J. K. Perret, secretary of the Ontario Flue-Cured Tobacco Market Board. All applications for rights to grow tobacco come before this committee.

Allowance is based on the tobacco grown in former years. A couple of years ago, existing growers in the agreement took a voluntary cut of 25 per cent in acreage. This was partially restored this spring.

Recently, there have been hundreds of applications from new men, or former growers, who would like to grow tobacco. Some 611 such applications were received this year. Of these, 176 were approved. With their applications is a questionnaire, in which the following queries are most important:

"Acreage of tobacco planted in 1932 ......, 1933 ......, 1934 ......

"How many kilns on this farm?

"How many years have you owned this farm

"Do you live on a farm?

"Are you a Canadian citizen?"

Approval of the application was based on the replies. If a man was living on his own farm, had the necessary equipment, especially kilns to handle the crop, his application, it is said, was approved. Businessmen living in town who wished to grow on farms they had acquired but on which they had no intention of living, were turned down. Farmers who desired to obtain "rights" simply as a means of making their farms more attractive to buyers were also turned down.

The intention, apparently, was to keep production in the hands of bona fide growers and not to start a real estate boom. The committee was backed up by authority under the Natural Products Marketing Act, which provides a system of licensing tobacco production and also tobacco buying. Once in the ring, the grower was assured of a market for his crop.

Independents' Position

Bootleg growers had no assurance that their crops would be purchased. Last fall, however, as a matter of fact, such tobacco was actually purchased, after all the approved crop had been handled.

Arbitrary as this system seems, apparently there is not a great deal of kicking. The fact that most bona fide growers among last year's bootleggers were taken in this spring has helped matters. Growers admit that the situation was so bad previous to control that any change would be an improvement.

Await Court Decision

There is not a great deal of worry even about the fate of the Natural Products Marketing Act now before the Supreme Court. Nor is there any apprehension about the Grisdale report on the Ontario tobacco industry, now in the hands of the federal authorities. If Dr. J. H. Grisdale, former deputy minister of agriculture, has not reported favorably on the present scheme, and if the N.P.M.A. is killed by the court, there is no reason, so the growers claim, why they cannot go ahead anyway.

They argue that nature has provided adequate control in the potential acreage. They figure that 100,000 acres would be an extreme limit for the crop, which, with a two-year rotation, that is, cropping with tobacco every other year, would result in not more than 50,000 acres of actual tobacco each year. This is only about 20,000 more than the acreage going in this spring. Expansion to the maximum, it is argued, could easily be taken care of by a steadily expanding export market.

Natural Control

Disease, it is said, prevents continuous cropping. Already there are signs of land either wearing out or becoming so filled with disease that something else will have to be temporarily substituted for tobacco.

Eventually, it is generally admitted, every acre now considered safe for flue-cured tobacco will be allowed to produce it. The market rights would thus disappear. In fact, large scale growers in Simcoe today tell you frankly that they would not pay a nickel for such rights. Growing all the tobacco they can handle, they look for a sudden collapse of the rights market before another year.

There the situation rests.

Future "Ifs"

So long as tobacco is much more profitable than other farm crops, there still will be a big temptation on the part of farmers on marginal land to get into the business. Even in Norfolk they are not just sure how far this marginal land extends. In years when frosts are late, tobacco can be grown well up into Oxford county to the north. Moreover, there is land going into the new crop in Norfolk today which a year or two ago was considered unsuitable.

New varieties may be produced which will mature earlier and thus extend the belt far beyond its present boundaries. Farmers, still in middle age, remember when corn was a new crop, only safely to be grown in a few warm counties of Ontario and on special soil. Today thanks to improved varieties, it can and is grown commercially all through eastern Canada and parts of the prairie provinces. The same may well prove true of tobacco.

Government Gets Most From Fags

Normally in any arrangement where two interested parties get together and reach an agreement concerning price, there is quite liable to be a rumpus raised by the consumer. This sort of thing has always proved a popular rallying cry for the politician on the eve of elections. However, the tobacco growers have been fortunate. In their arrangement they not only had the tacit blessing of the federal government through the Natural Products Marketing Act but in all tobacco prices the federal authorities constituted a silent partner.

The reason?

Simple enough because when the average consumer pays 25 cents for a package of cigarettes, the government takes nearly 16 cents in total taxes.

With 60 per cent of the retail price going to Ottawa, therefore, there would seem little likelihood of any great complaint against the other partner whose share, even with today's profitable raw tobacco prices, is only a fraction of the consumer's dollar.

Tobacco Plan Closely Eyed From Ottawa

Combination in Restraint of Production, Charge Ontario Growers

ACT BEFORE COURT

From Our Own Correspondent

OTTAWA.—While changes in the Natural Products Marketing Act this session, due to the litigation before the courts, will be of a minor character, this statute is being closely observed by the government and will undergo major amendments in 1937. For the moment, interest centres upon the tobacco marketing scheme which has been in operation in western Ontario for more than a year.

Criticism

In the course of the year strong criticism of the scheme has come to the government from growers who have alleged that the marketing act agreements between growers under the scheme and the large tobacco companies are tantamount to combinations in restraint of production. It has been alleged these agreements have reached a point where "rights to grow" tobacco have become marketable, and at fancy figures.

Hon. J. G. Gardiner, minister of agriculture, has had an enquiry made by Dr. J. H. Grisdale, former deputy minister of agriculture, and the report has been received. No publicity attended this investigation and the report, it seems, is a confidential one to the minister. It is understood Dr. Grisdale does not confirm the worst reports as to tobacco marketing conditions but indicates definitely that there is room for improvement in the present set-up, particularly in the treatment of independent growers by the local tobacco board.

Largely Remedied

In discouraging these growers from producing and selling their togacco, Dr. Grisdale, it is believed, contends that the spirit if not the letter of the act has been violated. The fact, however, that since the Grisdale investigation most of these independent growers have been taken into the association and have been given rights to grow 1936 tobacco largely remedies the situation of which the investigator was understood to have been most critical.

As a result there would seem less probability of a request from growers outside the agreements for an investigation under the Combines Investigation Act. If such a request is received, however, the impression at Ottawa is that it will be granted.

MUNICIPAL HONOR ROLL

City of Lethbridge, Alta.

Lethbridge, Alta., is perhaps the only major city in western Canada that has actually improved its position during the depression. Not only has it had a surplus in each of the past five years, but it has paid relief costs out of current revenue, reduced its debenture debt and floating liabilities, and wiped out sinking fund arrears.

Details of the city's record in recent years are as follows:

Funded debt has been reduced since the end of 1931 by $320,180 to $1,987,292. This is after deduction of sinking fund. Of a gross debenture debt of $4.2 millions at the end of 1935, $1,599,687 consisted of debentures of the city's public utilities, which are self-sustaining. Net debenture debt of the utilities is $614,379.

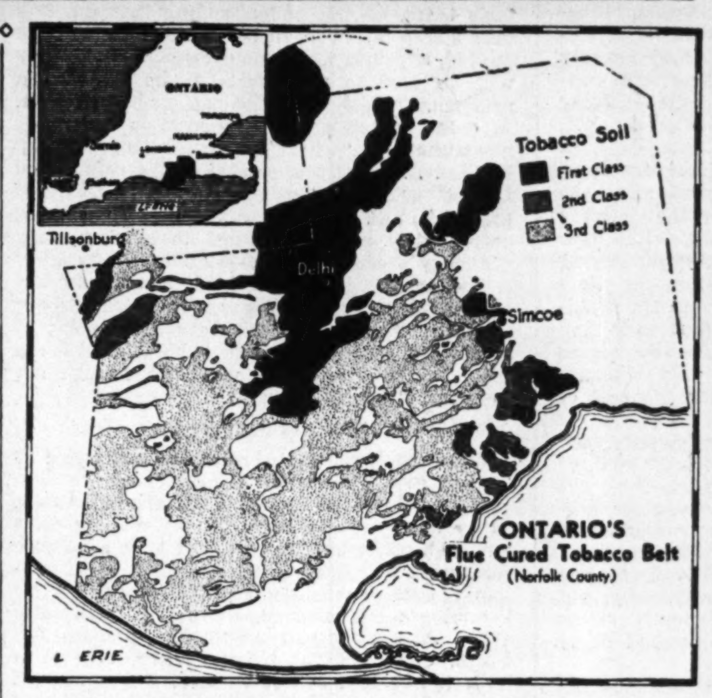
Sinking fund was $293,622 in arrears at the end of 1927. By the end of 1930 this shortage had been reduced to $12,300, and since that time it has been entirely wiped out. In recent years sinking fund operations have shown a profit.

Bank loans were reduced during 1935 from $147,000 to $74,000.

Expenditures in recent years have been kept well within income, a surplus being shown on current account in each of the past five years. In 1935 current revenue amounted to $687,794 and current expenditures to $680,723. This compares with revenue of $702,549 and expenditures of $646,229 in 1934.

Relief costs to date have been met entirely out of current income.

Public utilities show a combined annual profit after all charges, including debenture service. While the street railway is operated at a loss, profits on the waterworks and electric light and power have been more than sufficient to offset this deficit. In 1935 a net profit of $18,545 was shown by the waterworks system and $87,536 by the electric light and power department. Net deficit of the street railway was $31,428.



A TOBACCO CROP READY FOR HARVEST

(ABOVE)—Typical view of a good field of flue-cured tobacco in Norfolk county, Ontario, with the curing kilns in the background. Curing immediately after harvest, whereby the green leaves are put in shape for the three years aging period previous to manufacture, is an expensive business requiring highly skilled help, still largely imported from the Southern States, and considerable fuel.

(BELOW)—The black portions on the map of the Norfolk district show the most desirable land for the production of flue-cured tobacco. Such land is described as light sand on a warm subsoil. Less desirable land is shown as lightly shaded. Not only does the type of soil limit the tobacco area but climate is another very important factor as frosts before September 15 are disastrous to present varieties of tobacco.

There is another important commercial tobacco belt in Ontario in Essex and Kent, west of Norfolk, but production there is confined to the much cheaper Burley type used largely in pipe tobaccos. Incidentally growers in the Burley belt are also organizing along the lines adopted in Norfolk. In Quebec and British Columbia small quantities of Burley are also grown.

The "Lucky Major"

Fickle Lady Half Hearted for Austin Taylor at Louisville

From Our Own Correspondent

VANCOUVER.—By the spectacular performance of his horses on Pacific coast tracks in recent years and the fact that his entry, the three-year-old "Indian Broom" came third in the Kentucky Derby this month Major Austin C. Taylor, of Vancouver, has made good his claim as Canada's premier turfman.

But while Major Taylor is an outstanding sportsman, he is one of those dynamic, hard-driving executives who does not let his love of horseflesh interfere with his ever-increasing business associations. With thoroughbreds entered in races in all the important race meets along the Pacific Coast between Vancouver and Santa Anita this spring and his colt in the Kentucky classic, it would seem as though Major Taylor had sufficient to keep himself fully occupied, but his tremendous energy and ability to get things efficiently done in a minimum of time have enabled him to continue as full-time top executive of such busy and profitable enterprises as Bralorne Gold Mines, Home Oil Distributors, Ltd., and several lesser enterprises.

A native of Toronto, Major Taylor broke into business as a salesman for an American steel manufacturing company. It was Sir Joseph Flavelle who induced him to go to the coast as director of timber production for the Imperial Munitions Board, and for a year or so Major Taylor's executive ability left its imprint on the record-breaking output of airplane spruce from the Queen Charlotte Islands and other forest areas for use in the building of British fighting planes.

"Nursed" Bralorne

After the war Major Taylor carried on in several growing business concerns and made his first major stake in oil distribution and the sale of Alberta leases. Home Oil is virtually his creation. Bralorne mine, which he and his associates nursed along from the days when it was virtually abandoned and forgotten until today when it ranks as one of the big producers of the Bridge River area, made him his fortune. Bralorne took over adjoining Bradian last year and a new strike recently indicated discovery of a new major ore body. The Bralorne mill handles 475 tons of ore daily.

"The Lucky Major"

It was Bralorne that enabled the Major to take up horse racing seriously, and ever since he began to organize a stable sportsmen up and down the coast have had reason to dub him "The Lucky Major." Seemingly he could not lose.

Taylor's experience with Indian Broom is a case in point. He set out this year to assemble the finest racing stable on the Pacific coast. He wanted to buy a horse named Black Gift from the Brookmeade stable. The hitch was that Brookmeade did not own the horse, merely had borrowed it. So Major Taylor compromised by offering to buy a three-year-old, Frank. Brookmeade was willing to sell on condition that the major take two other horses too—Quick Look and Indian Broom. Major Taylor didn't want these extra horses; he knew nothing of them. But he wound up by purchasing all three. Previous to this transaction

MAJOR A. C. TAYLOR

Special Agent was bought from the same stable.

Special Agent was considered the best horse in the barn. Indian Broom got little attention until Special Agent, after winning two handicaps, was taken out of training because of injuries. This gave Indian Broom his chance, and what this horse has accomplished has made turf history, culminating in the record performance in the Marchbank Handicap at Tanforan when he set the world's record for the mile and one eighth.

Major Taylor even then had no idea of sending Indian Broom to the Kentucky Derby. But a friend who had won a bet on Indian Broom convinced him it was the logical next step.

"You give me part of the bet and I'll ship him," said Major Taylor. So it came about that Indian Broom was sent to the Bluegrass country, and race followers throughout the West rejoiced when the Taylor luck held at Churchill Downs in part, at least. Major Taylor is said to have wagered $1,000 on his horse, although reported to have plunged more heavily. Pacific coast race followers are reported to have backed Indian Broom heavily.

Last week-end Special Agent chalked up his third win under the Taylor colors: the $10,000 Bay Meadows feature.

C. G. M. M. Boats Bring Average of $42,000 Each

From Our Own Correspondent

MONTREAL. — Purchasers of the Canadian Government Merchant Marine's last ten vessels paid a total of $420,000 for the ships.

Following are the prices for the individual ships:

Canadian Cruiser, $50,077.
Canadian Constructor, $50,077.
Canadian Challenger, $40,013.
Canadian Highlander, $40,013.
Canadian Britisher, $40,013.
Canadian Leader, $40,013.
Canadian Scottish, $40,013.
Canadian Conqueror, $39,823.
Canadian Victor, $39,823.
Canadian Planter, $40,061.

Rogers-Majestic Corp. Profits About the Same

But Depreciation Write-off Will be Double that of 1935—Company's Position Analyzed

It is understood that Rogers-Majestic Corp. will show an operating improvement for the year ended March 31, 1936, over the preceding year. But actual depreciation write-off will probably be double the $41,940 deducted for the fiscal year ended March 31, 1935, and therefore net profit may be about the same as in the preceding year when it was $3,657 before tax reserves.

The larger depreciation write-off is due to the fact that there was an appraisal at the end of 1935 of the equipment which came into the company when it acquired control of Consolidated Industries. It was not therefore necessary to write depreciation off that plant as the appraisal took care of the current situation. In the year ended March 31, 1936, however, depreciation has to be charged off on all equipment.

Stock Dropping

Expectation of some such result has caused the Class "A" stock, which went as high as 9½ in 1934 and stood at 9 on January 22, 1935, to drop steadily through 1935 and 1936 until it is quoted at 4 today. Increased sales last September and the first half of October led to a recovery in market value to 7⅛ by November 12.

The change in earnings and sales of the company occurred immediately after the Dominion election. Press statements throughout the country that duties would be reduced on radios from the United States in the Canada-United States trade agreement then under discussion led to a sharp drop in demand. Dealers all over Canada cut their commitments until they saw what was going to happen and the company itself cancelled many commitments. The regrettable feature of this is that the drop from 30 to 25 per cent made no real difference in the company's competitive position.

The company does a highly seasonal business and its best months are September, October and November. The suggestions that duties might be lowered on radios cut sales in the middle of the season where it expects to make its main earnings for the year. To counteract these influences and to keep its radios moving the company reduced prices about October 15.

Losses Reduced

Losses have been steadily reduced since 1933. Results of the company's operations, as shown by official figures for years ended March 31 are:

1930 net operating profit .	$421,082
1931 net operating profit .	$380,282
1932 net operating loss .	$301,719
1933 net operating loss .	$471,011
1934 net operating loss .	$142,138
1935 net operating profit.	$ 3,657

To that extent the company can be said to have improved its position. On the other hand, there is no basis of comparison for sales in 1935 with earlier years, since these were not shown until 1935 when "sales and other revenue amounted to $2,677,545—less cost of sales, $1,837,068."

Voting Powers of "B"

A number of Class "A" shareholders claim that in addition to their interest in earnings they should have a voice in the company's affairs as they represent by far the majority of the 1,500 shareholders and hold the majority of the outstanding stock. But voting power is restricted to the holders of Class "B," largely held by directors and members of the Rogers family.

More Class "A" shareholders who protest the continuance of the present voting arrangement declare that all classes of shareholders should have a vote in choosing directors to run the affairs of their company.

There are special circumstances, however, connected with limiting the vote to Class "B" shareholders of Rogers-Majestic Corp. E. S. Rogers, president, and J. E. Rogers, vice-president and treasurer, who are the largest holders of the 15,000 no par value Class "B" shares, have been carrying the company during the dark days of depression when large losses were shown. They guaranteed the company's bank loan which was as high as $173,104 on March 31, 1934, and $106,000 on March 31, 1935, and, in addition, The Financial Post is informed, provided personal loans to as high as $270,000. The company has shown a good total working capital position throughout the depression but cash and liquid resources were low after 1931, and this assistance has therefore been a vital factor in permitting the company to operate efficiently.

It is claimed that this assistance has been of as much benefit to the 200,000 shares of Class "A" as to 15,000 shares of Class "B" stock. The "B" stock gets no special advantage, it is urged, but should under the circumstances keep control at least until the situation is clearer. There are directors on the board whose interest it is to look after affairs for the Class "A" shareholders. They were put there for that purpose, although not by vote.

Consolidated Industries

When Rogers-Majestic, among the few large radio organizations which passed through the depression without collapse, acquired the assets and goodwill of Consolidated Industries Ltd., in 1934, investment interest in the company widened considerably.

Its important position in the Canadian radio field was recognized and investment circles were impressed by the quality of its products, by the fact that it owned CFRB, one of the most powerful radio stations in Canada, and by its potentialities for expansion through acquisition of the former Consolidated Industries' line of electric household appliances.

Acquisition of Consolidated Industries involved payment by Rogers-Majestic of $34,000 in six equal monthly installments without interest, $120,000 in three equal annual installments without interest, and 33,000 shares of Class "A" stock.

To the suggestion that these obligations have acted as a brake on Rogers-Majestic earnings, the answer was given in the 1935 annual report, by G. Harrison Smith, chairman of the board.

Said Mr. Smith: "Twelve months operating has more than vindicated the decision to acquire these (Consolidated Industries) assets, and your company finds itself at this time with almost double the 1933 volume of business, a fine public acceptance of its products, and the enthusiastic co-operation of two of the finest and largest home appliance dealer organizations in the Dominion."

Large percentage increases in sales have been announced from time to time. The stock looked promising to many investors, especially when publicity was given to estimates of D. G. MacKenzie, vice-president and general manager, that September sales were 300 per cent of sales in the preceding September. Production was lagging behind sales and new models were receiving an excellent reception. In August, September and October radio sales were 190 per cent of those in the corresponding period of 1934. There have been no announcements of percentage increases covering any period since last October.

"Pep" for Organization

Some criticism has been voiced that these announcements of percentage increases encouraged many people to buy stock. The management and officials strenuously deny that such announcements of percentage increases were intended for any purpose but to inform their dealer organization as to the progress of the company. It was an encouragement and aid in making sales of radios. They were, they say, not a party to any use of these figures on the stock market. They refused to divulge earnings figures for that reason. Any statement as to earnings would have been misleading because of the highly seasonal character of the business, they state. The sudden drop in October of sales and profits was an indication of how highly susceptible the industry is to psychological factors.

General Manager MacKenzie last July in a prepared article published at the time of the annual report for the year ended March 31, 1935, stated that "Rogers-Majestic is the only really Canadian radio manufacturing company in existence, that its products . . . have become more and more popular, and the percentage of the radio business which the company holds has increased from 11 per cent to almost 25 per cent in the last two years."

A further statement was "The refrigeration business has doubled, the washing machine volume steadily increasing, and the company's station CFRB is undoubtedly the finest broadcasting station in the Dominion."

Investment circles, and particularly those associated with the marketing of the remaining unissued Class "A" stock, received the news of large percentage gains in sales with satisfaction, interpreting these as to some extent a confirmation of their earlier belief in the company's possibilities.

Allowance had been made in investment circles for the period of disorganization inevitably following acquisition of Consolidated Industries and the merging of the two companies' operations, but the belief prevailed that once this interval had passed, the organization would be on a sound earning basis with possibilities of eventual distributions to shareholders.

Unofficial Estimates Astray

Unofficial estimates of probable per share earnings for the fiscal year ended March 31, 1935, were as high as 75 cents and $1 per share on the combined "A" and "B" stock. These estimates, The Financial Post has learned, were based on what seemed reliable data at the time, but business results at the end of the fiscal year, as far as they affected earnings, were unexpectedly disappointing. Now another disappointment has been met in a season that opened favorably.

Sums of money owing to one or more directors of the company are understood to have been largely repaid. The Financial Post also learns that the bank loan position at the moment is considerably better than indicated by the financial statement for 1935 when bank loans were shown at $106,000.

Investment dealers and other observers of the Rogers-Majestic situation continue to emphasize the high calibre of technical direction, the prestige lent to the company's position by the presence of G. Harrison Smith as chairman of the board, the wide acclaim of the company's products, and the trend—slow as it is—toward improved operating results.

G. Harrison Smith accepted his present position out of friendship for the Rogers family, due to his association with the father of those now on the board of directors. It is stated he has no personal interest of moment.

Unsafe to Prophesy

One thing these years have demonstrated, and that is that this kind of business is an unsafe one for prophets or even for earnings estimates. The history of the industry for ten years is full of startling individual instances of success and disaster. Prospects for the current year will be assessed at the convention in June and there may be some reference to it at the annual meeting in July.

Impossible as it is to estimate correctly, officials themselves then have to make the attempt. They have to manufacture ahead of the season to a considerable extent, and determine the character of their products. But having done the best they can to assess the turn that public fancy will take in buying radios and other products after consulting radio dealers all over Canada, the financial side of the story has to be written by the public.

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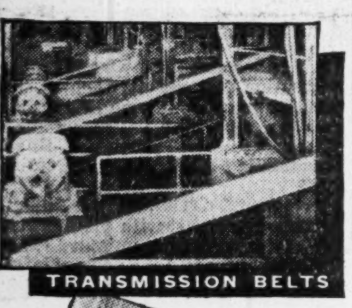

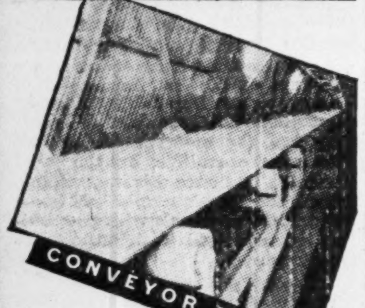

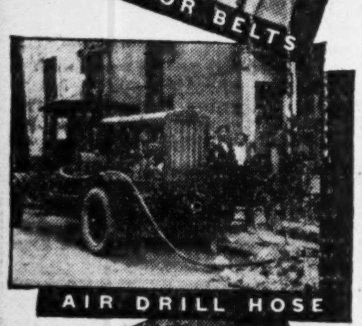

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"The Money Mystery"—By Sir Norman Angell

World Famous Economist Strips It of Technicalities, Confusion, Complications

This is the seventh of a series of articles, "The Money Mystery," written especially for The Financial Post by Sir Norman Angell, in which the noted writer, in plain, everyday language, unravels the workings of money and credit.

The Gold Standard; For and Against It

By SIR NORMAN ANGELL

In the previous article we dealt with the utter disorganization of business—indeed something resembling the collapse of civilization itself—which arises when reckless manufacture of money has produced a "runaway" inflation, illustrating the kind of disorganization by the case of some long term contract like the building of a bridge or ship. If, between the date of signing the contract and the completion of the bridge or the delivery of the ship, prices have risen as they did during the inflation in Germany, then the engineering firm may find that the sum contracted for and paid will not even cover the cost of the paint.

SIR NORMAN ANGELL

But if the purchaser of ships or bridges undertakes to deliver gold, or money readily convertible into gold, then the engineers know that because governments cannot manufacture gold as they can manufacture paper, its quantity will not be greatly increased and its value, therefore, not greatly decreased. Over long periods, gold prices may vary, but over short periods they are sufficiently stable to make contracts of the kind described fairly safe.

Imagine a British insurance company agreeing to pay a foreign firm a large sum of money in pounds sterling in the event of fire or other catastrophe, and the foreigner saying:

"But suppose I pay you premiums over a number of years and then have a disaster and come to you for payment, how do I know that the pounds you then offer me will not be pounds having a half or a third or a fifth or a hundredth of the value which pounds now have? How do I know, in other words, that there will not happen to pounds what has happened to marks and francs and lire?"

"Our Money is Gold Money"

And in the past the British firm has been able to reply:

"There is one very good reason why there will not happen to pounds what has happened to marks and francs. The marks and francs that lost their value could be multiplied at the simple will of a government in difficulties. If it wanted money, it had only to order that some be made, printed. But our money is gold money; every paper pound I give you can be exchanged for 7.3224 grammes of gold. We undertake, in fact, to deliver gold. Now gold cannot—at present—be manufactured, so that you know that the quantity of our money will be strictly limited. It cannot lose its value by indefinite increase in its quantity."

And that, indeed, is in the usually accepted view the function of a "gold cover"; it imposes an automatic restriction (not absolute, but relatively effective) upon the quantity of money put out, and to that extent is a guarantee that its value will not be destroyed by indefinite multiplication.

"Experience has, unhappily, shown the reliance to be a broken reed, for a government which, but for its gold undertakings, would resort to currency inflation, is also a government which can declare its gold contracts 'off' and legal money to be paper."

Once to the question "Why gold at all?" the present writer replied a little impulsively: "Because you can't trust governments." But if you cannot trust governments, you cannot trust governments not to repudiate the gold clauses.

Indeed, it is not at times, not usually perhaps, a matter of bad faith at all, but of physical impossibility of maintaining convertibility, as the expression is, owing to a drain of gold due to bad economic policy on the part of some foreign nation.

The dislocation set up by the post-war debts illustrates the point.

Britain owed the United States very large sums—in dollars. How is Britain to find dollars? Cutting through all the technicalities of the process Britain can only find those dollars by selling goods or securities. Much of the latter had already been pledged. There remained goods. But in the post-war "blizzard" nations turned to higher, not lower tariffs. British goods were more and more excluded from America by ever-rising tariffs and the difference between amount owed and net sales (sales after paying for American imports) had to be made up in gold.

But reduction of the quantity of gold available in the debtor country as a basis for credit tends to reduce the quantity of money available for business. Or, to put it somewhat differently, if there is to be enough gold available to redeem notes that have been issued (to "maintain convertibility") then the amount of currency must be limited.

Vicious Circle Set Up

The general effect of this, as we have seen from previous articles, is to cause the price level to sag. But falling prices of British goods tends still more to put on American or foreign tariffs, which means, if the debts are to be paid, still further drains upon the stock of gold to settle differences, a still further fall of prices . . . a very vicious, vicious circle. Unless it can be broken a country will inevitably be pushed off gold. It is the sort of thing which has been happening at intervals ever since the war in some part of the world or other.

The fact suggests several things about the gold standard commonly overlooked.

We see, first that gold, as long as we stick to it, **is** an assurance against gross inflation. But there is no assurance in times of grave economic disturbance that nations will, or can, stick to gold.

Secondly, although gold is our only international money, the most convenient international "unit of account," and enables us to make contracts in terms of a universally acceptable commodity the quantity (and consequently the value) of which remains relatively stable, it is not strictly speaking an "automatic" standard or regulator. The gold standard won't work at all internationally unless the nations observe certain rules about it. Bad economic policies—sudden and great change of tariff, for instance—can throw the whole thing out of gear. It can probably only be worked at all if nationals are prepared at times to accept securities in lieu of gold, if, that is there is to be a certain amount of foreign investment.

Nothing is easier than to be scornful about the "mythical" and fetish element in our attachment to gold. But, in fact, despite this fetish quality, it has served in the past extremely useful functions internationally. Let us look at both sides of the picture.

Elsewhere this writer has told the story of a sailor who, having secured a block of gold, lands on an island, deposits it with the missionary he finds there, on the understanding that the first time a ship calls it shall be sent to Europe to be minted, and that when the coins come back they will be used to pay the islanders for certain possessions which the sailor uses for his purposes. In order to accelerate the operation the sailor meantime gives "orders" on the missionary—"Pay bearer . . . pounds on arrival of the coins from Europe" using this "paper money" as a means of payment. The islanders in their turn use these orders, they pass from hand to hand, become generally accepted money—and the block never is sent to Europe to be coined. Everybody forgets about it since the paper is accepted without question. The gold might have been a bit of gilded lead for all the islanders knew. But it did the trick, and the sailor was wise enough not to "inflate" his currency.

Magic of the Unseen

When we read that France and America is "taking gold," what does it mean?

The need for the operation has arisen because, as we have seen, when what one country owes has been offset by what is owed to it a balance remains to be settled in gold. Certain boxes containing bars or coins are removed from one cellar to another a few hundred or a few thousand miles away. At the end of some months, perhaps, the boxes, often without being opened, are taken back to the first cellar, whence, a few months later, still unopened, they may be returned once more to the other.

Yet, if this strange ceremony did not take place it might mean that the country owing the balance was bankrupt, its credit system disorganized, so that money might not be available for wages, factories in certain cases would close, fields go unharvested, trains stop running, people be unable to obtain food, revolutions be started, desperate men kill each other.

What is the magic of this unseen, unused, dead metal in one cellar rather than another which prevents the killing, the starvation, the chaos?

What if Gold Removed?

Suppose someone were secretly to remove the coins or bars inside the boxes, and replace them by counterfeits. Would the ceremony be as effective? Some would argue that it would be every bit as effective, provided only that the high priests, the monetary authorities concerned, were unaware of the substitution, and still believed they were handling gold. Some indeed, might go on to say that if we could imagine the fraud being unperceived and really extensive, the criminal would probably be doing a service to mankind, since presumably the stolen gold would find its way back to monetary uses, and so help to lift the price-level, and by that accelerate the ending of the commercial depression and its attendant unemployment and misery.

But that would not be quite true. First, the gold plays a bookkeeping and exchange-stabilizing function which, so long as we retain the gold standard at all, is important. Note the mechanism. Green Island is importing more goods than it is exporting, presumably because Red Island's goods are cheaper. There is a balance to be settled in gold. Gold leaves Green Island, which has now less standard money and, other things remaining equal, its prices tend to fall, which in turn would tend to increase its exports. But Red Island, which receives the gold, has more money, so prices tend to rise, checking exports. There is set up, therefore, in both islands forces which tend to equalize the price-level of the two islands. Gold is the one international money furnishing at the same time an international unit of account, and a "governor" which slows up imports when they have got out of balance with exports, and vice versa. There is a need of international trade which, if not furnished by gold, would have to be furnished by a consciously devised international machinery of some complexity.

Here is a true story, the fuller details of which are given by Furness in his "Island of Stone Money."

"There is among the Caroline Islands an island called Uap, whose money consists solely of huge stones called fei, many of them so large that they cannot be moved, so that even when they change hands in the course of business their physical location is left unchanged. In fact, the richest family in the island holds that position in virtue of being the owner of a huge stone, which was accidentally sunk from a raft while it was being brought to the island many years ago. For several generations this stone has been lying at the bottom of the sea, and none of the present generation of the family has ever seen it; but nobody questions that they are the richest family in the island.

German Plan Succeeds

"Some time ago the natives allowed the roads of the island to fall into disrepair, and steadily refused to mend them; and the Germans, who were at that time in possession of the island, had to devise some means of inflicting a fine. It was clearly useless to attempt to remove any of the stones from the island. 'At last,' so the account runs, 'by a happy thought, the fine was exacted by sending a man to every failu and pabai throughout the disobedient districts, where he simply marked a certain number of the most valuable fei with a cross in black paint to show that the stones were claimed by the government. This instantly worked like a charm; the people, thus dolefully impoverished, turned to and repaired the highways to such good effect from one end of the island to the other that they are now like park drives. Then the government dispatched its agents and erased the crosses. Presto! The fine was paid, the happy failus resumed possession of their capital stock, and rolled in wealth.' "

Stones were their fetish, gold is ours. One, apparently, is as necessary as the other.

We shall ultimately, if civilization goes on at all, get rid of gold. But for a long time it may be easier to manage gold than to manage without it. In either case there must be management, and the management must in a measure be international.

Falling prices of British goods tend still more to put on American or foreign tariffs, which means, if war debts are to be paid, still further drains upon the stock of gold to settle differences, a still further fall of prices . . . . a very vicious, vicious circle. Unless it can be broken, a country will inevitably be pushed off gold.

South African Tariff

The Customs Tariff Commission appointed recently by the South African Government to enquire into the operations of the protective tariff has issued its report, says Canadian Trade Abroad.

By a majority, it recommends that a duty of 25 per cent ad valorem should be regarded for general purposes as a limit of moderate protection and that only under exceptional circumstances should higher protection be granted. The view is expressed that a reduction of costs by South African industries is essential if economic soundness is to be achieved by groups now enjoying protection; that to reduce the general level of costs, protection must be lowered wherever this can be done without detriment to the industries immediately concerned; that the high cost of production is a serious handicap to the Union's competitive position; that the need for maintaining equilibrium with world economy makes it essential that protection afforded should be moderate.

Obituary

Charles T. Glass, formerly of the Great West Life Insurance Co., and founder of the insurance brokerage business of C. T. and S. F. Glass, London, Ont. He was 76.

* * *

Wilfrid Belisle, manager of the Royal Bank of Canada branch, Atwater and Notre Dame, Montreal. He was in his fortieth year.

* * *

Charles H. Mitchell, president of W. and C. H. Mitchell, and last surviving member of a long list of West India merchants who carried on business from Halifax with the West Indies during the days of wooden ships. He died in Halifax, where he was born in 1858. Mr. Mitchell was president of the Acadia Fire Insurance Co., and a director of Maritime Telegraph and Telephone Co.

* * *

Thomas McQuillan, Toronto manager of the Dominion Textile Company, in Toronto.

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In The Construction World

Air Cooling Season

WITH the season of sticky days ushered in unusually early in many parts of Canada this year the time of summer air-conditioning is at hand.

A wonderful leverage for the introduction of this new development in human comfort is offered by those places where the public congregates in large numbers. This means the theatre, concert hall, the restaurant, the train and the store of practically any description. Patrons are quick to comment on the agreeable contrast with the outside atmosphere, when humidity and temperature have risen to unseemly heights. Such air-conditioned places are bound to attract repeat business in an industry which absolutely depends on regular patronage.

* * *

Let the Public Know

IN THE early days of air-conditioning both the manufacturers of the new equipment and the users were inclined to let the public find out for themselves. Now that the experimental period is passing, however, it is time that interested parties come out more boldly and capitalize on the new introduction. Heat and humidity has cost many a sale. If, on the other hand, the potential customer is assured an atmosphere equal to that of some northern lake in June, but minus mosquitoes and blackflies, then there should be a different reaction when a shopping jaunt or a trip to the movies was suggested.

* * *

Renovation Field

AS POSSIBILITIES of new construction under the Dominion Housing Act gradually disseminate throughout the Dominion, more and more does it develop that even of greater importance than new building in many parts of the country is the need of renovation of existing living quarters. Bluntly, it seems that in many quarters the time is not yet ripe for large scale real estate investments. There is still too much money owing on structures erected during the better days of the past.

Undoubtedly as recovery proceeds then more buyers will appear for new houses but in the meantime there is an excellent construction market opening in the modernization of buildings erected ten, twenty and thirty years ago. Such renovation means a very considerable volume of business to painting, carpentering, electrical, plumbing and heating contractors.

* * *

Factory Boom Coming?

IN THE last few months quite a number of brand new factories have risen. The total is still small, but those new plants are so radically different from the older types that it is quite possible their construction may force a general factory rebuilding programme. If manufacturing costs are materially lowered as a result of vastly improved working conditions, and such a development would seem to be perfectly natural, then how much longer can competitors afford to continue with the older environment?

The fact too, that in the last decade there seems to have been considerably less factory than office buildings would indicate a large back-log in this sort of construction. All over Canada in 1928-1930 period there were scores of big skyscrapers put up. Hardly a city of any size did not see at least one of such structures completed. In the manufacturing sections of these same cities, however, old plants are still very much in evidence.

Power Corp. Group Records Larger Output

From Our Own Correspondent

MONTREAL—Subsidiary and affiliated companies of Power Corp. of Canada report an increase of 12.25 per cent in power output during March as compared with the same month last year. Contributing largely to the increase noted in March were Manitoba Power, Northwestern Power, and B. C. Power Corp.

For the first quarter of the current year, aggregate production of the group shows an increase of 11.67 per cent over the corresponding period of 1935.

Comparative power output figures for March are as follows:

March:	1936 KW.H.	1935 KW.H.
Southern Canada	18,919,110	18,527,980
Canada Northern	49,313,402	48,143,238
East Kootenay	5,396,138	7,485,984
B. C. Power	46,734,992	42,507,302
Northern B. C.	994,912	937,072
Winnipeg Electric	14,862,100	16,668,800
Manitoba Power	54,195,000	36,175,000
Northwestern Pwr.	1,254,600	301,400
Total	191,670,254	170,746,775

Clay Products

Sales of clay and clay products by Canadian producers in January were valued at $117,000, as compared with $164,600 in January a year ago.

Offer Chicago Prefabricated Cheap Houses

Sears Roebuck and Building Company to Sell Furnished Homes

OVER 200 PLANS

Merchandiser and builder will co-operate in the new plan to sell prefabricated houses in the Chicago area this summer. General Houses, Inc., is to manufacture and erect a wide range of four to six-roomed houses. Sears, Roebuck & Company, big middle-west merchandisers, will tie up in the advertising and hope to do most of the furnishing.

Sears, Roebuck has developed special fittings, fixtures, furniture, and other articles particularly suited for the houses contemplated. Through this co-operation and also in advertising, both firms hope to push sales.

Wide Range in Plans

Customers will have some 200 plans from which to make selections, and will be offered in almost every case a "Standard" and "DeLuxe" model. Erected and ready to move in, a four-room standard house is offered for slightly under $4,000, apparently including furnishings. DeLuxe equipment includes automatic oil heaters, winter air-conditioning, cabinet sink and steel kitchen cabinet.

If the buyer owns his own lot, he is only asked to pay 10 per cent down, and thereafter monthly payments of approximately $30 in the case of the standard four-room model. At this rate, which does not include taxes, the owner should have complete and clear title in fifteen years.

Factory Built

The houses are almost completely prefabricated, and everything is supplied from the factory, except, of course, such local materials as cement, sand and gravel. Construction is carried out by the factory trained operators. It is estimated that a couple of weeks will see the whole structure complete and ready to move in.

Homes are built of an insulated, fire-resistant asbestos cement board on the outer wall, with the interior surfaces lined with plywood or fir. Floors are of concrete, but may be covered with linoleum or ordinary wooden flooring at an extra charge. Flat roof with curved coping is standard equipment. Insulation is provided by layers of aluminum, building paper, and asbestos board, with supports of steel. Most parts are standardized to fit into plan, a great saving in cost being effected in this manner.

Prefabrication Next Big Step?

British and U. S. Leaders Look Over Prospects

Will cheap, mass production, factory built houses, be the next big step in construction? Leaders in both Great Britain and United States, apparently are toying with the idea.

Apropos of $2,500 dwelling including lot, something that would reach workers in the low income group, President Roosevelt asked Walter P. Chrysler what it would cost to build his lowest price car in a good machine shop. The reply was $3,500. Under mass production this car is actually turned out for about $600 in United States at the factory.

The moral appears to be obvious.

London Builders Expect Best Summer in Years

House building in London, Ont., is expected to reach a peak of several years next month, according to W. W. Evans, chairman of the London Real Estate Board.

"There is certain to be a good deal of house building, both speculative and by citizens for their own use," states Mr. Evans.

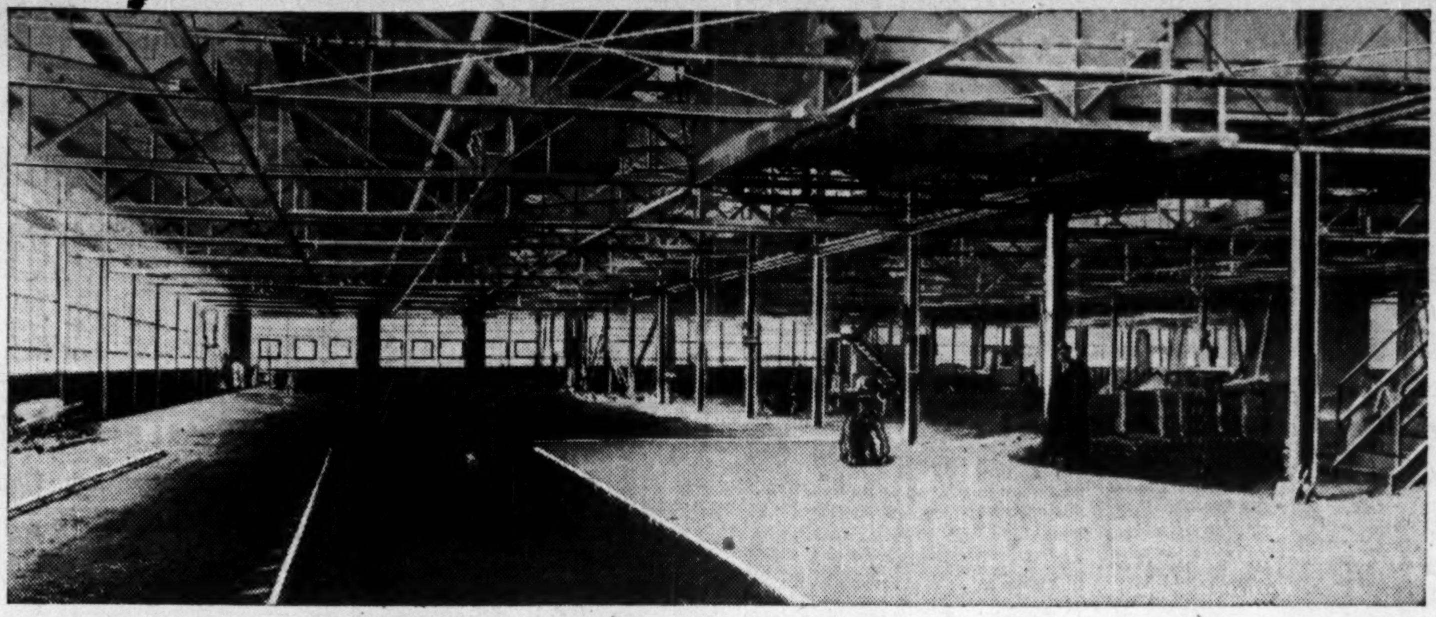
The rental situation is reported improving, and residential property is moving more rapidly. Trust companies have received a considerable number of applications for loans under the Dominion Housing Act.

Residential Building Forges Ahead in U. S.

Almost as many new houses were built in March in United States in cities of 10,000 or over as during the whole of the first three months of last year. For the first quarter, there were almost 25,000 units put up, as against slightly under 12,000 in 1935.

Ottawa Is Building

April building in Ottawa is reported as very considerably reduced from the same month a year ago. The difference, it is understood, is largely due to the fact that in 1935 permits were issued during this month for two very large apartment houses. With these discounted, this year shows a gain. Much of the new building is in single and two-family dwellings.



NOT A GREENHOUSE BUT A MODERN FACTORY

Comfortable working conditions, is the keynote of the new National Cash Register Co. plant at Dundas St. and Lansdowne Ave., Toronto. Along practically its whole length of 220 feet and width of 160, are windows, which when supplemented by the monitors in the roof will make artificial lighting unnecessary except on dull days. Factory and office are all on a single floor, the only upstairs being wash rooms in the monitors.

The floor when completed will be a concrete base with treated wood on top, another feature designed solely for better working conditions. Heating is from overhead hot water radiators, with forced distribution from attached fans. The latter can be used for summer cooling. Future extension on the single floor factory idea is possible through additional land at the rear. The new plant is the product of Jackson-Lewis Co., general contractors and H. K. Ferugusson Construction Co., engineers.

National Cash Register Co. expects to move into its new home about the end of the month. Since the Dominion government took over its Christie St. plant for a soldiers' hospital in 1918, the company has occupied leased quarters.

Air-conditioning Proves No Easy Profit Field

Manufacturers of air-conditioning equipment apparently are going through the same process of development as was the case with the automobile manufacturers in the early days, and later, the producers of radio. In United States there has been considerable mortality. A list of 81 names of such manufacturers compiled by Business Week in 1935 has been pared down to 64 in 1936.

Of the $48 millions spent on air-conditioning equipment in United States in 1935, nearly half of such was sold by manufacturers' own organizations and plumbing contractors selling 20 per cent.

Casualties

While sales in 1935 showed an increase of almost 60 per cent over the previous year, and are promising to go to still higher ground in 1936, some newly promoted companies looking for quick profits and a few slowly dying old timers found the field not so easy and expired.

As in the automobile industry, most manufacturers are not attempting to manufacture the equipment in its entirety, but instead are buying certain parts or units from specialized manufacturers. For instance, most of the producers of air-conditioning equipment purchase pumps, motors, control apparatus, compressors, and cabinets.

Year Round Service

Complete year-round equipment, that is, an outfit which will provide warm, conditioned air in the winter and cool in the summer, is the most popular type of equipment sold. Apparently it is not very difficult to add the summer air cooling device, or vice versa in the south where heat rather than cold is the big enemy, and the added feature of a year-round service at only slightly higher cost apeals to the bargain-instinct of the buyer.

Stores, beauty parlors, restaurants, and theatres have been big buyers, where apparently the attraction and satisfaction of comfortable surroundings gives the owners a considerable advantage over unequipped competitors.

Montreal Glum Over Housing

Sees No Hope for Workers' Homes — May Modernize

After making a close study of the Dominion Housing Act, Montreal municipal officials are understood to be dubious regarding any home building boom. To date, permits for new houses are running about the same as a year ago, but more money is being spent on improvements.

The only big field for new houses, it is said, would be in modest dwellings for workers, and it is claimed that it is still impossible to put these up at low enough cost. Something that could be rented for $15 to $20 a month in wanted for this purpose.

Field Limited

A limited field is seen in houses which ordinarily rent for over $50 per month, though here plenty of mortgage money is reported available from normal sources.

High city taxes are blamed in some quarters for the lack of Montreal building activity. These, it is said, have cut the heart out of the yield from residential property. The present situation in this respect, plus the uncertainty of further heavier levies in the future, have effectively quashed hopes of new homes in Montreal on the part of many potential builders.

In regard to modernization, and even more modest improvements, it is admitted on all sides that there is a considerable field in Quebec's leading city. Millions, it is said, could be spent in working over and modernizing blocks which have been condemned as slums. Buildings could be made habitable and they could be made to yield a revenue to the owner in the place of being a dead loss to him at present, and also in many cases to the municipal authorities. Town planners, however, are said to be opposed to this idea, though hard-headed landlords argue that such would be a practical method for slum clearance.

Defense Base Has Real Boom

Singapore, key port in British Malaya, modestly admits a bit of a construction boom. Reasons cited are:

Seven-year $150 millions building programme on defense base nearing completion.

Civil airdrome, $6.5 millions to be completed this year.

Supreme Court Building, $1.5 millions, started.

Sewage system, $5 millions, under way.

Despite high prices of materials, there is much new residential building but despite this again influx of defense personnel is causing building values to soar and likewise rents.

New Industries

Sugar Beet Plant—the first in Manitoba, is to be located at Morris, construction to begin this summer. The provincial government is to guarantee the bonds of the corporation which will operate the refinery.—(Winnipeg Free Press.)

Copp Woollen Mills, Ltd., has been incorporated, with head office at Port Elgin, N.B., to carry on a general mercantile business.—(Fredericton Mail.)

Diamond Beverages, Ltd., Moncton, N.B., will manufacture, trade and deal in artificial aerated waters and effervescent beverages.—(Fredericton Mail.)

Schick Shaver, Ltd., has acquired a plant in St. Johns, Que., the first unit to be in operation by the end of the summer, Col. Jacob Schick announced in Montreal last week. While it is an entirely separate concern, the Canadian company is an outgrowth of the Schick company in the United States. In Canada the Schick electric dry shaver will continue to be distributed by Henry Birks and Sons, Ltd. (Montreal Gazette.)

Duplate Windsor, Ltd., will begin construction of its new plant in Windsor for the manufacture of safety glass under the direction of the parent company, Duplate Safety Glass Co., Oshawa, Ont. (Windsor Star)

Hudson's Bay Co. will erect a battery manufacturing plant in Edmonton. (Edmonton Journal)

Canadian Canners Ltd. has begun construction of a two-story addition to the plant at Forest, Ont., to handle beet canning. (Sarnia Observer)

Canadian Oil Refineries Ltd. of Petrolia plans an expenditure of $20,000 at Froomfield, Ont., for extension of docking facilities and erection of a crude oil storage tank. (Sarnia Observer)

Empire Foods Corp. Ltd., Windsor, Ont., has awarded the contract for the erection of a new production building to cost about $75,000 for the manufacture of tomato products. (Windsor Star)

Kennedy Biological Co. Ltd., Otterville, Ont., has purchased a building from the village and plans to spend $5,000 in equipping the plant for the manufacture and distribution of biological and pharmaceutical preparations. There will also be a pathological laboratory. (London Evening Free Press)

* * *

Daily Commercial News notes that:

Reckitts Oversea, Ltd., Montreal, plans alterations and additions to the extent of $40,000.

Libby, McNeill & Libby of Can., Ltd., Chatham, Ont., will erect a new $7,000 unit for the manufacture of food products.

* * *

Toronto Industrial Commission reports that:

Weldrest Hosiery Ltd., has completed a large addition to the factory at a cost of about $22,000 allowing the company to increase production by 20 per cent.

Canadian Hoffman Machinery Co., Ltd., has found it necessary to expand production facilities and has leased a building at 50 Coleman Ave., providing almost double the floor space now occupied.

Sangamo Co. Ltd., manufacturers of electric meters and similar equipment, announces an addition to the plant on Stafford St.

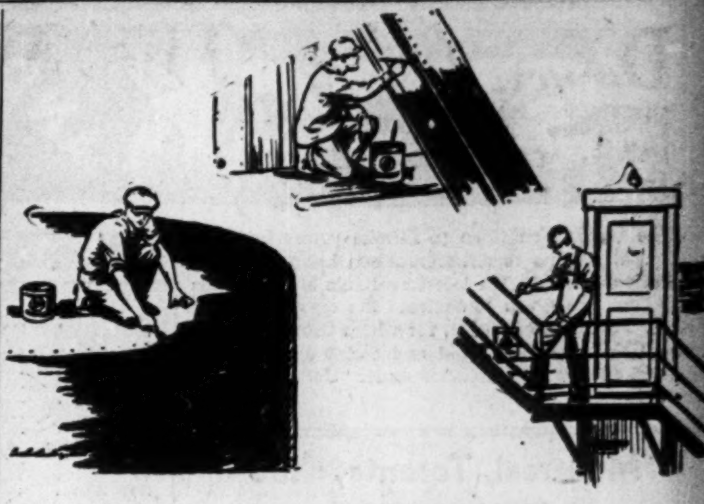
Building in Vancouver Shows Big Current Gain

Value of building permits issued in Vancouver for April jumped to $396,040 as compared with $198,755,000 for the same month a year ago, the municipal authorities report.

Even more striking is the total 1936 showing to date. For the first four months of 1936 the total was $2,219,520 as compared with $621,165 for the first four months of 1935 and $413,669 for 1934.

Urge $1.5 Millions Block To Vancouver Hospitals

A new hospital building and additions and alterations to existing structures at a total cost of slightly over $1.5 millions is recommended for Vancouver General Hospital by Dr. W. H. Walsh, a Chicago hospital consultant. This would give the present facilities an additional 300 beds. The report is now under consideration of Vancouver's civic finance committee.



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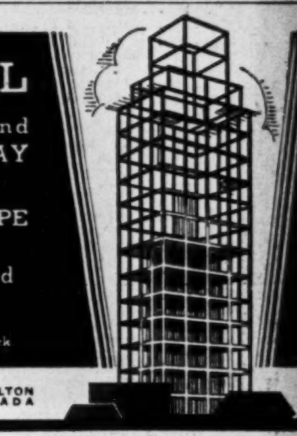

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STOCK AND BOND MARKET QUOTATIONS

This table is confined to official prices for listed stocks. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

Montreal, Toronto, Curb

WEEK ENDING MAY 11

Range 1936 High	Low	Div R'te $	May 9 Y'ld %		Sales	Last May 4	Week end. May 11 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	2025	1.35	1.50	1.45	1.45
13	6¾	.	...	Do. pref. 6%	440	8½	9	8	8
12½	6¾	.	...	Do. cert. dep.	50	9	8	8	8
4½	4½	.	...	Acadia Sugar	....	(4 bid — asked)			
15	15	.	...	Acme Glove, n.	51	15	15	15	15
95	95	.	...	Do. pref.	76	95	95	95	95
10	8	40c	4.7	Agnew Surp.	15	8½	8	8	8
107	104	7	6.7	Do. pref.	110	104	104¾	104¾	104¾
6	4	.	...	Alta. Pac. Gr.	80	4½	4½	4½	4½
39	25	.	...	Do. pref.	30	28	29	27	29
3	2	.	...	Amal. Electric	....	(3 bid — asked)			
[illegible]									
3½	2	.	...	Walkerville Br.	795	2¾	3	2½	2¾
2¼	1¼	.	...	Waterloo Mfg.	200	1¼	1½	1¼	1½
10	4½	.	...	West. C. Flour	....	(4½ bid 6 asked)			
65	40	.	...	Do. pref.	15	44	40	40	40
51	46½	2	3.9	West. Grocers	19	51	51	51	51
110¾	107	7	6.4	Do. pref.	25	110	110	110	110
17¾	13¼	60c	4.4	Weston Ltd.	1625	14¾	14¼	13½	14
102	99	5	5.1	Do. pref.	125	99½	99½	99	99
9¾	8½	.	...	Whittall Can.	25	9½	9½	9½	9½
*3	1	.	...	Windsor Hotel	....	(1½ bid — asked)			
4½	4	.	...	Do. pref.	25	4	4½	4½	4½
4½	2¾	.	...	Winnipeg Elec.	320	3½	3	3	3
3¾	3¾	.	...	Do. new, A.	....	3¾	..	..	..
18	10	.	...	Do. pref.	40	15	15	15	15
53	38	.	...	Wood, A. & J. p	....	(— bid 50 asked)			
67½	50	.		Woods Mfg., pf.	....	(50 bid 53 asked)			
				Z					
3	2¾	.	...	Zimmerknit, c.	....	(2¾ bid 3¼ asked)			
69	60	3.50▲	..	Do. pref.	....	(65 bid — asked)			

* Quotations for 1935. No sales recorded in 1936 to date.

† Plus $33.25 on arrears. Comprising one funding right for each preferred share.

▲ On account of arrears.

b New York quotations.

§ Plus one-eighth share of preferred stock plus one share of common stock, all payable in settlement of arrears.

‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

May 13, 1936

Dominion of Canada Bonds

		Bid (May 13)	Asked (May 13)	Approx. Yield	Bid May 6
Dominion . 2	15 Oct. 1936	100.20	100.60	.75	100.20
Dominion . 5	15 Nov. 1936	101.65	102.15	.68	101.65
†‡Dominion . 5	1 Mar. 1937	103.25	103.75	.25	103.35
‡Dominion . 5½	1 Dec. 1937	107.50	107.80	.42	107.65
Dominion . 2½	15 Oct. 1939	103.00	103.50	1.48	102.85
Dominion . 4	15 Oct. 1939	107.75	108.25	1.54	107.50
Dominion . 2	15 Nov. 1939	101.50	102.00	1.40	101.50
Dominion . 4½	1 Sept. 1940	110.50	110.90	1.83	110.30
Dominion . 5	15 Nov. 1941	113.50	114.00	2.29	113.40
Dominion . 3	15 Oct. 1942	105.00	105.50	2.09	104.75
Dominion . 2½	1 June 1943	102.65	103.25	2.00	102.50
Dominion . 5	15 Oct. 1943	114.50	115.00	2.76	114.35
Dominion . 4½	15 Oct. 1944	112.50	113.00	2.76	112.35
▪Dominion . 2½	15 Aug. '43-45	98.50	99.00	2.62	98.25
Dominion . 4	15 Oct. '43-45	106.65	109.15	2.63▲	108.35
Dominion . 4½	1 Feb. 1946	112.50	113.00	2.95	112.35
Dominion . 3½	15 Oct. '44-49	103.85	104.25	2.93▲	103.80
Dominion . 4	15 Oct. '47-52	107.60	108.10	3.14▲	107.40
Dominion . 3	1 June '50-55	99.10	99.50	3.03	99.15
Dominion . 4½	1 Nov. '46-56	110.10	110.60	3.30▲	110.00
Dominion . 4½	1 Nov. '47-57	110.10	110.60	3.38▲	110.00
Dominion . 4½	1 Nov. '48-58	110.30	110.75	3.44▲	110.30
Dominion . 4½	1 Nov. '49-59	110.50	110.90	3.48▲	110.40
▪Dominion . 3¼	15 Jan. '56-61	101.00	101.50	3.15▲	100.90
Dominion Guaranteed Bonds					
*G. T. P. Ry. 3	1 Jan. 1962	99.50	100.50	2.97	99.50
Can. N. Ry. 3	1 May 1944	103.00	104.00	2.45	102.50
Can. N. Ry. 3	15 Dec. '45-50	99.00	99.75	3.02	99.00
Can. N. Ry. 3	15 Feb. '48-53	98.00	99.00	3.07	98.25
*Can. N. Ry. 4½	1 Sept. 1951	113.75	114.50	3.30	113.25
*Can. N. Ry. 4½	1 Feb. 1956	114.00	114.75	3.47	113.50
†Can. N. Ry. 4½	1 July 1957	111.50	112.50	3.65	111.50
*Can. N. Ry. 4¾	15 June 1955	116.25	117.25	3.51	116.25
Can. N. Ry. 5	1 Feb. 1954	116.25	117.25	3.68	115.75
*Can. N. Ry. 5	1 July 1969	116.75	117.50	3.09▲	116.75
*Can. N. Ry. 5	1 Oct. 1969	118.25	119.00	3.51▲	118.25
*M. Harb. C. 5	1 Nov. 1969	118.50	119.50	3.50▲	118.50
Provincial Government Bonds					
Eastern—					
N. Bruns. .. 4	1 Sept. 1954	104.25	105.25	3.61	104.25
†N. Bruns. .. 4½	15 Apr. 1961	109.25	110.25	3.86	109.00
†N. Bruns. .. 5	15 Jan. 1960	114.50	115.50	3.96	114.00
N. Scotia .. 3	2 Sept. 1945	99.25	100.25	2.98	99.00
N. Scotia .. 4½	15 May 1943	108.00	109.00	3.06	107.50
†N. Scotia .. 4½	15 Sept. '47-52	109.75	110.75	3.36▲	109.75
†N. Scotia .. 5	1 Mar. 1960	115.75	116.75	3.91	115.50
*Ontario 4	1 June 1962	104.50	106.00	3.64	103.75
*Ontario 4½	1 Sept. 1944	110.50	111.50	2.95	110.00
Ontario 4½	1 June 1950	109.50	110.50	3.54	108.75
*Ontario 4½	15 Jan. 1962	110.00	111.00	3.83	109.00
Ontario 5	15 Oct. 1948	112.00	113.00	3.69	111.25
*Ontario 5	2 Dec. 1960	117.50	118.50	3.84	117.50
Ontario 5½	1 July 1946	114.75	115.75	3.67	114.00
O. H. C. 3½-4-5	1 Oct. '33-52	101.75	102.75	4.22●	101.50
Ont. Hyd. C. 4¾	1 Jan. 1970	111.50	112.25	4.08	111.00
P. E. I. 3	1 Oct. 1945	99.00	100.00	3.00	99.00
Quebec 4	15 Mar. 1952	107.25	108.25	3.33	106.50
Quebec 4½	1 Aug. 1958	110.00	111.00	3.53	109.50
Quebec 4½	2 Jan. 1963	112.00	113.00	3.73	111.50
Western—					
Alberta ... 4	15 Dec. '49-54	74.00	76.00	6.23	74.00
†Alberta ... 4	1 Dec. 1957	74.00	77.00	5.87	75.00
Alberta ... 4½	1 Oct. 1951	81.00	82.50	6.28	81.00
†Alberta ... 4½	1 Oct. 1956	77.00	79.00	6.34	78.00
†Alberta ... 5	1 Jan. 1948	78.00	80.00	7.56	79.00
Alberta ... 5	1 Sept. 1955	76.00	79.00	6.98	77.00
*Alberta ... 5	1 Oct. 1959	77.00	80.00	6.70	80.00
†Alberta ... 5½	1 Jan. 1947	80.00	82.00	7.99	81.00
Alberta ... 6	1 Mar. 1947	80.00	83.00	8.40	81.00
†Brit. Col. .. 4	1 Dec. 1957	90.00	91.50	4.62	90.00
*Brit. Col. .. 4½	15 Jan. 1951	94.50	96.50	4.83	93.00
†Brit. Col. .. 4½	1 Oct. 1953	93.00	95.00	4.93	93.00
†Brit. Col. .. 5	15 Jan. 1948	96.50	97.50	5.28	96.00
Brit. Col. .. 5	1 Sept. 1953	95.00	96.50	5.31	95.50
Brit. Col. .. 5½	1 Feb. 1945	96.00	98.00	5.78	95.50
Brit. Col. .. 6	15 Feb. 1947	97.00	99.00	6.12	97.00
Manitoba .. 4	2 Jan. 1950	98.00	100.00	4.00	97.50
†Manitoba .. 4	1 Dec. 1957	98.00	100.00	4.00	97.50
†Manitoba .. 4½	15 Dec. 1956	100.50	102.00	4.35	100.00
†Manitoba .. 5	15 June 1954	105.00	106.50	4.56	104.00
*Manitoba .. 5	2 Dec. 1959	107.00	108.50	4.42	105.50
Manitoba .. 5½	1 Oct. 1955	105.00	106.00	5.01	104.50
Manitoba .. 6	1 Apr. 1947	106.00	107.00	5.16	105.50
Sask. 4	15 Aug. 1953	85.50	87.00	5.14	86.00
Sask. 4	1 Nov. '55-60	85.00	86.50	4.96	85.50
*Sask. 4½	2 July 1945	95.00	97.00	4.90	95.00
†Sask. 4½	1 Oct. 1951	93.50	94.50	5.01	93.50
†Sask. 4½	15 Mar. 1960	92.00	94.00	4.92	92.00
Sask. 5	1 Aug. 1958	96.00	97.00	5.22	95.50
†Sask. 5½	15 Nov. 1946	98.50	100.50	5.45	98.00
Sask. 5½	1 Oct. 1962	98.50	100.50	5.45	98.00
Sask. 6	15 Mar. 1952	100.50	102.00	5.80	99.00
Municipal Bonds					
†Calgary 5½	2 June 1944	....	80.00	9.00	....
†Edmonton . 5½	1 Nov. 1945	80.00	84.00	7.93	80.00
†Halifax 5	1 July 1961	112.50	114.50	4.08	112.00
Hamilton .. 5	1 May 1950	108.75	110.75	3.98	108.75
Montreal .. 5	1 Mar. 1945	104.00	105.25	4.27	102.25
Ottawa 4½	1 July 1945	107.00	109.00	3.33	107.00
†Quebec 5	1 June 1959	106.00	107.50	4.48	104.50
Regina 5	1 July 1944	80.00	85.00	7.49	80.00
St. John ... 5	15 Dec. 1950	107.50	108.50	4.23	107.00
†Toronto ... 4½	1 Jan. 1955	109.00	111.00	3.68	108.50
Vancouver . 5	1 June 1969	79.00	85.00	6.05	83.00
Victoria ... 5	21 July 1945	86.00	90.00	6.53	86.00
Winnipeg .. 5	1 Mar. 1944	102.00	104.00	3.39	101.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Mining Stock Quotations

WEEK ENDED MAY 11, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close May 4 (or last)	High for week	Low for week	Close May 11
1	.82	.54	Afton	33,300	.70	.75	.71	.73
[illegible]								
1	.45	.21	Preston E. Dome	231,940	.28	.45	.27	.43
No	3.25	2.15	Prospectors Air's.	1,700	2.35	2.35	2.15	2.20
1	1.40	.90	Quebec Gold	59,035	1.10	1.40	1.10	1.28
No	.07½	.02	Quemont	87	.06	.03	.02	.03
1	2.20	1.43	Read Authier	21,201	1.96	2.02	1.82	1.82
1	1.23	.50	Red Lake	78,095	1.20	1.23	1.17	1.19
1	1.31	1.00	Reno Gold	25,475	1.18	1.31	1.20	1.25
1	.13	.01	Ritchie	638,025	.07	.13	.07	.12
1	.09	.04	Robb Montbray	179,020	.04½	.07½	.04½	.05½
1	.28	.05½	Roche Long Lac	1,147,700	.14½	.28	.14½	.21½
1	3.45	2.16	San Antonio	8,120	2.40	2.40	2.25	2.30
1	.90	.75	Shawkey	99,185	.80	.83	.75	.78
50c.	.86	.56	Sheep Creek	3,700	.68	.79	.67	.68
[illegible]								

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE (Transaction for Week to May 11)

[illegible]

OIL STOCKS

[illegible]

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)

May 12, 1936

Public Utility Issues:	Int. Rate %	Due	Bid May 12	Asked May 12	Bid May 5
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois	5½	'73	82	85	81½
Do.	5	'73	26	29	26
*Bell T'phone	5	'55	114	117	115
*Do.	5	'57	119	122	119½
†B. C. Power	5	'60	103½	106½	103
†Do.	5½	'60	105	108	104½
†B. C. T'phone	5	'60	105½	108½	105½
†Calgary Pwr.	5	'60	96½	99½	97½
Do.	5	'64	93½	96½	93½
†Can. Nor. Pr.	5	'53	103½	106	103½
Dom. Gas	6½	'45	89	92	90
§Duke-Price Pr.	6	'66	105	108	105
*Gatineau Pwr.	5	'56	97	99½	97
*Do., A	6	'41	89	92	89½
*Do., B	6	'41	88	91	89
*Int'l. Hydro	6	'44	41	44	42½
Int'l. Power	6	'57	96	99	95
Do.	6½	'57	98½	101½	98
†Maclaren-Que.	5	'61	81½	84½	79½
Do.	5½	'64	80	83	78½
*Manitoba Pwr.	5½	'51	81	84	80½
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Montreal Pr.	3½	'56	101½	104½	101
†Mont'l. Tram.	5	'55	83½	86½	83
†Do.	5	'41	101½	104½	101
Nat'l. L. & P.	6	'49	95½	98½	96
†N.S. L. & Pr.	5	'58	105	108	104
†Ottawa Light	5	'57	106½	109	106
†Ottawa Val. Pr.	5½	'70	77½	80½	77½
†Power Corp.	4½	'59	95	98	95
*Quebec Pwr.	5	'68	104	107	104
†Shawinigan	4½	'70	102	105	102
†S. Canada Pr.	5	'55	105	108	105
†United Secs.	5½	'52	83½	86½	82½
*Winnipeg Elec.	6	'54	82½	85½	82½
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	43½	46½	45
†Acadia Sugar	4½	'55	99½	102½	99
†Alta. P. Grain.	6	'46	98	101	97½
‡Asbestos Corp.	5	'42	102½	...	101½
B. A. Oil	4	'45	104	106	104
Can. Biscuit	6½	'46	23	26	24½
Canada Bread.	6	'41	108½	...	108½
†Can. Cement	5½	'47	105½	108½	105½
†Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines	5	'43	102½	...	102½
Do.	6	'41	58½	61½	58½
†Can. Canners	6	'50	105	106	105
*Can. Int. Pap.	6	'49	82	85	81½
C. P. R.	4½	'44	100	103	100
Do.	3½	'51	95	98	93½
Do.	4	'49	103½	106	102½
Can. Rail & H.	6½	'51	60½	63½	60
†Can. Vickers	6	'47	88½	91½	89½
Cons. Paper	5½	'61	29	32	30
†Dom. Canners.	6	'40	113½	114½	113
†Dominion Tar.	6	'49	104½	106½	104½
†Donnacona P.	5½	'48	68	71	68
†East. Dairies	6	'49	83½	86½	83
†Fam. Players	6	'48	105	106	105
†Do.	6½	'48	105	106	105
†Federal Grain.	6	'49	99½	102½	99
Fraser Cos.●	6	'50	109	112	109
†G. Steel Wares	6	'52	100	103	100½
Gt. Lakes Pap.	6	'50	49	52	51
†Gypsum. Lime.	5½	'48	96	99	95½
Ham. Cottons.	5½	'48	102	105	102
*Hinde & Dauch	5½	'48	102½	105½	102½
Inter City Bak.	5½	'48	103	...	103
Inter-City W. Bakeries	6½	'50	32	35	37
Kingston Elev.	6	'50	95½	98½	...
Lake St. John P. & Pa.	6½	'47	94½	97½	95½
†Lon. Can. Inv.	4½	'48	89	92	89
London Rlty	6	'50	95	100	95
†Massey-Harris.	5	'47	89½	92½	89
McColl-Front.	6	'49	104½	107	104½
†Mercury Mills.	5½	'53	64½	67½	64
Met Building	7	'44	100	...	100
M. & O. Paper	6	'45	29	32	30
Mtl. Dry Docks	6	'48	81	84	80
N. Ont. Bldg.	6½	'39	96	100	96
Ontario Bldg.	6½	'43	30	34	34
Price Bros. bds.	6	'43	124½	126½	123
*Prov. Paper	5½	'47	101½	104½	101½
Queen's Hotel.	6	'47	93	96	93
*Reliance Gr.	6	'48	103	106	103
Rich. B. Bldg.	6½	'47	98	101	98
‡Riordon Pulp	6	'42	104½	...	104½
Ritchie Cut Stone	6½	'48	95	...	95
†Rolland Paper.	5½	'48	104½	107	104½
Ruddy & Co.	6½	'48	99	102	98½
†Simpsons Ltd.	6	'49	104½	107	104½
Do.	5½	'49	103	...	102½
†Smith, How'd.	5½	'53	104	107	104
‡Steel of Can.	6	'40	113	...	113
Toronto Carpet	6	'44	103	...	103
United Corpns.	5	'53	93½	96½	93½
United Gas	5½	'48	99	102	99
United Grain.	5	'48	98	101	97½
Do.	5½	'49	102	105	102
Zimmerknit	6	'51	98	...	97½

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. ●Unstamped.

Unlisted Mines

May 12, 1936

	Bid	Asked
Albany River	.52	.54
Ardeen	.24	.26
Arno	.08	.09
Athona (Gt. B. L.)	.40	.42
Bailor	.06	.06½
Bidgood Kirkland	1.75	1.80
Bankfield Gold	.72	.75
Big Master	.41	.45
Blue Star	.42	.45
Bosquet Gold	.14½	.15½
Callinan	.10	.12
Can. Kirkland	.04	.05
Canusa Mining (old)	.23	.25
Capital Rouyn, new	.10	.21
Casey Contact	.06	.07
Casey Summit	.28	..
Central Porcupine	.19	.21
Chibougamou	.25	.30
Chromium	2.25	2.27
Condor	.07½	.09
Cuniptau	.26	.28
Dunlop, new	.13	.14
Dorval Siscoe Gold	.14	.16
El Bonanza	.08	.09
East Malartic	.28	.32
Frontier R. Lake	.17	.19
Galatea	.06	.07
Gilbec	.07¼	.08
Glenora	.36	.38
Gold Eagle	.68	.72
Goldside	.14	.15
Greenlaw	.05	.07
Horseshoe	.05	.06
Hudson Patricia	.29	.31
Hutchison Lake	.15	.18
Jellicoe	.25	.27
Johnson Nipigon	.06½	.07½
Kaw Crow	.25	.27
Keora Mines	.05½	.06½
Lafayette L. Lac	.07	.07½
Lamaque Gold	3.50	3.60
Leitch Gold	.68	.73
Long Lac Lagoon	..	.13
Madsen Red L.	.43	.45
MacL. Cockshutt	4.00	4.25
Magnet Lake	..	.16
Matachewan Can.	.15	.17
May Spiers	.30	.32
McCarthy Webb	.16	.17
Mosher	.42	.45
Moffatt Hall	.12	.14
Moffatt Hall (new)	.47	.50
North Shores	.05½	.06½
Norlake	.29	.32
Oklend	.47	.50
O'Leary	.09	.10
Opemiska Copper	1.30	1.40
Opemiska Mines	.15	.17
Oriole	.08½	.10½
Pascalis	..	.20
Proprietary M.	.55	.60
Queen Lebel	.11½	.13½
Rice Lake	.11	.12
Sladen	.46	.49
Skookum	.24	.26
Smelter Gold	.09	.11
South Keora	.09	.10½
Springer	.15	.18
Sturgeon R. Gold	.50	.55
Thompson Cadillac (new)	.50	.51
Wells Long Lac	.11	.13
Wendigo	.15	.17½
West Side L.	.11½	.12½
Wingold	.07	.09
Winoga	.35	.38
Young Davidson	.23	.25
Young Shannon	.17½	.18½

Listed Bonds

Week Ended May 11, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50¼	50¼	31	30
McNish	6	'48	3.15	..	3.75	3.00

Silver Prices

Trading in Montreal May 3 to May 9

	High	Low	Close	Contracts
May	45.28	45.18	45.30	4
July	45.65	45.45	45.40	3
Dec.	46.23	46.23	46.10	2

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 12, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	3.75	4.50
Do., pfd.	4.50	5.08
Acme Farmers Dairy, pfd.	37.50	40.00
Algoma Steel New, c.	...	48.00
Do., New, pfd.	...	63.00
Andian National	48.00	50.00
Assoc. Tel. & Tel., pfd.	44.00	48.00
B. C. Pulp & Paper, c.	.30	1.20
Do., pfd.	5.50	8.00
Burns & Co., A	9.00	10.00
Do., B	5.00	8.00
Canada Starch, pfd.	90.50	93.00
Canada Tea, pfd.	35.00	...
Can. Tube 1st pfd.	47.00	...
Can. Wire & Cable, pfd.	99.50	102.50
Can. Industries A, com.	215.00	...
Do., B, com.	215.00	...
Do., pfd.	156.00	160.00
Can. Ingersoll Rand	...	118.00
Can. Power & Paper Inv., p.	5.50	8.00
Can. Westinghouse	61.00	64.00
Chase, A. W., pfd. bonus	25.00	26.50
Conduits Nat. New, com.	2.90	3.35
Dom. Found. & St., c. (new)	24.00	...
Do., pfd. (New)	85.00	90.00
Dom. Rubber, pref.	98.50	101.00
Dunlop Tire, pfd.	64.50	67.50
East. Dairies, pfd.	11.50	13.50
Edm. City Dairy, pfd.	60.50	...
Federal Grain, com.	2.00	3.25
Do., pfd.	30.00	33.00
Goderich Elevator	8.25	9.50
Greening Wire, pfd.	104.00	106.50
Guelph Carpet, pfd.	104.50	106.25
Guelph Carpet, com.	16.00	18.00
Highland Dairy, com.	2.35	3.00
Do., pfd.	78.00	83.00
Inter City Baking, com.	22.00	26.00
McLaren Power, com.	10.00	11.50
Mercury Mills, pfd.	9.50	12.00
Ont. Tobacco Plant.	30.00	35.00
New Meth. Laund., pfd. bon.	76.00	80.00
Provincial Paper, pfd.	98.00	100.50
Reliance Grain, pfd.	85.50	88.00
Rob. Consol. Cone	8.75	9.50
Ruddy, E. L., pfd.	40.50	...
Silver. Dairies, pfd.	41.00	...
Std. Fuel, pfd. bonus	105.50	108.00
Supertest Pet., B. pfd.	27.00	29.00
Toronto Carpet, com.	28.00	...
Do., pfd.	38.50	...
United Steel, A. pfd.	5.25	6.00
Western Grain, pfd. bon.	17.00	20.00
Western Grocers, pfd.	107.50	111.00
Trust & Loan Stocks:		
Chartered Trust	80.50	83.50
Guelph Ont. Inv. Sav.	46.00	51.00
London & West. Trust	53.00	...
Sterling Trust	26.00	...
Traders Fin. B, pfd. bonus	80.00	...
Trusts & Guarantee	40.00	41.50
Insurance Stocks:		
British America	42.00	44.50
Canada Life	520.00	...
Canadian Fire	77.00	82.00
Can. Ins. Shares	12.00	14.00
Confed. Life 20% pd.	116.00	121.00
Continental Life, 20% pd.	36.00	40.00
Crown Life	105.00%	...
Dominion Fire	115.00	...
Dominion Life, 50% pd.	250.00	290.00
Dom. of Can. Gen.	115.00	121.00
Empire Life, 25% pd.	7.00	8.50
Excelsior Life, 30% pd.	68.00	72.50
Federal Fire, 25% pd.	39.00	...
Fidelity Ins. of Can.	46.00	51.00
Great-West Life	385.00	398.00
Guar. of N. A. fully pd.	245.00	...
Halifax Fire	21.00	23.00
Imperial Life	330.00	...
Manufacturers Life	260.00	268.00
Monarch Life, 10% pd.	19.00	21.00
National Life, 25% pd.	...	50.00
Sovereign Life, 25% pd.	15.00	19.00
Sun Life	450.00	500.00
Toronto General	4.50	5.30
Western Assur., com.	43.00	46.00
Do., pfd.	39.00	42.00
Theatre Stocks:		
Allens Beach, pfd.	57.00	62.00
Do., Calgary, com.	5.00	7.00
Do., Kingston, pfd.	60.00	...
Do., Parkdale, pfd.	46.00	50.00
Do., Toronto, p. bon. c.	28.00	32.00
Eastern Theatres, com.	3.50	5.00
Do., pfd.	74.00	80.00
Loew's London, pfd.	2.50	3.50
Do., Toronto, pfd.	111.00	115.00
Mansf. Theatre, pfd.	29.00	...
Para. Kitchener, pfd.	41.00	...
Do., Oshawa, pfd.	85.00	94.00
United Amusement, A	...	20.00
Do., B	16.00	17.50
Investment Trust Shares:		
Can. Gen. Invest.	7.7	8.05
Can. Investors	6.50	8.00
Can. Int. Inv. Trust Units	56.00	...
Cons. Div. Std. Sec. Units	13.00	15.00
Debenture & Sec., pfd.	50.00	...
Dom. Scott. Invest. Units	28.50	31.50
Foreign Power Sec., pfd	13.00	15.50
Invest. Foundation Units	50.00	53.00
Sec. Holding Units	21.00	25.00
United Corpns., A	22.00	24.00
Do., B	8.50	10.00
Power Issues:		
Can. Public Service, pfd.	22.00	26.00
Can. West. Nat. Gas, pfd.	95.00	...
Do., com.	23.00	25.00
Great Lakes Pwr., pfd.	87.00	92.00
Inter. Util. 7.00 pfd.	80.00	...
Nor. Ont. Power, pfd.	99.00	102.00
Nova Scotia L&P pfd.	99.00	103.00

Winnipeg Stocks

(Transactions from May 3 to May 9)

	Sales	High for period	Low for period	Close May 9
Bailor Gold	26,750	.06	.03½	.06
Beav. Lumb., p.	10	69½	69½	69½
Cres. Cream	10	35	35	35
Forty-four	35	2.00	1.85	1.85
Flin Flon	17,550	.25	.20	.23
Harcourt	400	.13½	.13½	.13½
Home Invest.	61	25	25	25
Gold Lake	27,878	.54	.44	.53
Gurney Gold	15,850	.65	.39	.65
Island Lake	11,700	.04	.03	.04
Knee Lake	1,000	.03½	.03½	.03½
Jowsey Is.	6,200	.26	.24	.25
Kingfisher	5,000	.02½	.02	.02½
North. Mtge.	50	2	2	2
Optic Lake	648	1.85	1.40	1.80
Ore Grande	5,000	.08	.07½	.07½
Rice Lake	30,200	.12½	.08½	.12
Rice L. Units	60	5	4½	4½
Scattergood	500	.09	.09	.09
Scotia	1,000	.05	.05	.05
United Grain	12	13	13	13
Wingold	8,535	.09	.07½	.08
Wylie Dom.	16,600	.70	.40	.65
Wallace Lake	97,400	.08	.02	.08

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	131	..
Comm. Securities	..	10
Home Invest.	24	..
Northern Trust	8	9½
Pelissiers, c.	..	10
Pelissiers, pref.	25	30
Traders Bldg.	71	..
West. Steel, pf.	..	6
West. Brew.	..	1.90

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close May 11	Yield %
Anglo-Huronian	20c	5.40	..
Beattie Gold	†5c	1.37	..
Bralorne	10+5	7.30	..
Buff. Ankerite	20c	5.55	3.6
Bulolo Gold	2.60	33.00	8
Cariboo	10c	1.37	7.3
Coniagast	12½c	3.10	..
Dome Mines	$2+$2	54.62	7.3*
Falconbridge	30c	7.80	3.8
Hollinger	65c+25c	15.60	6
Howey Gold	5c	.70	..
Hudson Bay	$1	26.00	..
Int. Coal & Coke‡	1c	.19	..
Inter. Mining	60+5	11.00	5.9*
Int. Nickel, c.	$1.20	45.50	2.6
Kirk. Lake‡	3c	.45	..
Lake Shore	$2+$2	56.50	7.1*
Macassa	15c	3.90	..
McIntyre	$2	42.50	4.7
McKenzie R. Lake	†3c	1.45	..
McKinley Sec.	2½c	.63	..
McWatters Gold†	5c	1.33	..
Nipissing	25c	2.50	..
Nor. Can. Mining	2c	.40	..
Noranda	$3	53.50	3.7
Pickle Crow†	..	6.30	..
Premier	12c+1c	2.26	5.5*
Pioneer, B.C.	80c	9.95	8
Reno	12c+2c	1.25	11.2*
San Antonio	21c	2.30	9.1
Siscoe	20c+1c	3.30	6.3*
So. Amer. Gold	30c	5.50	5.4
Sylvanite	20c	2.60	7.7
Teck-Hughes	40c	4.65	8.6
Toburn	8c	1.35	5.9
Ventures	†2½c	1.83	..
Wright-Har.	40c+20c	8.10	7.4*

‡Interim. †Initial. *Yield includes bonus.

Bank Chat

Mutual Agreement

BANKS will not be asked to participate in financing of road construction in Alberta, via stamp tax certificates.

That at least is the stand taken by Premier Aberhart, indicated in a reply to criticism of the Alberta government's projected issuance of government stamp tax certificates for financing purposes.

Criticism of the projected plan by Major C. H. Douglas brought the reply from Mr. Aberhart that "evidently Major Douglas hasn't studied the idea at all. There would be no need of bank loans."

Mr. Aberhart agrees Major Douglas is correct in saying that if the Alberta government had to get bank loans as well as stamps to cover the certificates, the province would be paying 107 per cent interest.

"But banks wouldn't enter into it at all," declares Mr. Aberhart.

Under existing credit conditions in Alberta, there is reason to believe bankers are in hearty agreement with the Alberta premier's intention to leave them out of the stamp tax certificate scheme.

* * *

Farm Loans

THOUGH New Brunswick has created machinery for provincial loan offices to assist agriculture and industry, loans to farmers will receive favorable consideration from managers of chartered banks in cases where bank managers feel reasonably assured of repayment when the crop is marketed.

Premier A. A. Dysart, investigating a request that the provincial government guarantee fertilizer loans this year, discussed the farm loan question with head office officials of various banks.

In view of the understanding reached between the banks and Mr. Dysart, New Brunswick's government does not consider it necessary to undertake a guarantee policy, but will leave the question of loans to bank managers themselves, to be judged by individual circumstances.

New Brunswick farmers who met their obligations last year will have no difficulty in securing the necessary accommodation from the banks this year, according to Mr. Dysart.

* * *

Top Hat Coin

BANK tellers are familiar with unusual coins, but few Canadian bank tellers have had the experience of handling a £4 Scottish coin bearing the effigy of James VI, who was also James I of England, on which King James wears a top hat. One of the coins sold at a London auction recently for £39, and a second specimen brought £30.

The coin was designed 345 years ago, and it is the only instance known where the traditional old-country banker's top hat has received the distinction of appearing on a coin of the realm.

* * *

Bogus Certificates

APPEARANCE of forged stock certificates of Texas Gulf Sulphur Co. in Detroit leads to the belief that these certificates may shortly make their appearance on the Canadian side of the border.

Canadian banks and brokerage houses are being warned, in consequence, to be on guard against the forged certificates. Texas Gulf Sulphur Co. has issued a detailed description of the bogus stock, in which there are many differences from the genuine certificate.

Nevertheless, racketeers have already succeeded in passing the certificates as genuine, although the counterfeit issue does not give the name of the state in which the corporation is incorporated. It has not the corporate seal affixed. There is no counter signature of a transfer agent, and it does not have the signature of a registrar. The body of the certificate does not show the number of shares represented by the certificate, and the counterfeit uses a vignette of an eagle, whereas the vignette on the genuine certificate shows two female figures in the foreground, with a derrick, a sulphur plant, a sulphur vat, and railroad train in the background.

Even more careless were the counterfeiters in signing the bogus certificates with the name of W. H. Albright, president, although the president of Texas Gulf Sulphur is W. H. Aldridge. The secretary's name, forged, is spelled H. F. Knoblock, in place of the actual secretary's name, H. F. J. Knobloch.

And, to complete the errors, genuine stock certificates of the company are not, as a rule, signed by either the secretary or the president of the company.

Yet they have already been accepted by a bank in Detroit.

Makes Assignment

Kirkham, Scanlon & Co. Ltd., Toronto mining brokerage firm, has made an assignment for the benefit of creditors, following the recent suspension of the firm's operations by John M. Godfrey, Ontario Securities Commissioner.

N. L. Martin, Toronto, has been appointed custodian.

Onslaughts on Banking Open Along New Fronts

Municipalities and New Brunswick Leaders in Offensive

"CURSE" SAYS MAYOR

By THOMAS C. THOMPSON

Attacks on Canada's chartered banking system are increasing in numbers and violence.

The latest anti-bank offensives are coming either directly or otherwise from municipal officials and from Canadian provincial governments which seek to replace the services of Canadian chartered banks with other financial mechanism of their own invention.

"Curse of the Country"

From municipal sources came a recent barrage of abuse.

"Banks," said Mayor Joseph Clarke, of Edmonton, "are the curse of the country." He advocated imposition of a special tax of $50,000 a year on banks' head offices and $10,000 a year on branches, in excess of all existing charges.

Edmonton's mayor declared himself in a discussion among members of the city's by-law committee, over a request of the Edmonton Clearing House Association for reduction in the banks' municipal business tax from an existing 25 per cent to 15 per cent on rental values.

In defense of the banks, Ald. J. W. Fry voiced what is probably the reaction of all bankers to the mayor's statement.

Said Mr. Fry addressing the mayor, "That's popular claptrap. It might win you a few votes, but it certainly isn't common sense."

To the defense also, sprang G. H. Steer, K.C., representing the banks. He claimed Edmonton's present tax on the banks is discriminatory and exorbitant. He pointed to Calgary where the business tax on banks is only eight per cent, and he reminded the city fathers that banks, with practically the same overhead, are doing only half the business of "good times." With cabarets, they share the highest Edmonton rate.

No Tax Reduction

Mr. Steer said more; that banks are not making the "big money" they are popularly supposed to be making, but that they nevertheless continue to perform a vital public service. He declared Canadian banks were the finest and safest in the world, and recalled their enviable record during the depression.

But . . . . the request for a reduction in the municipal tax of 25 per cent on the rental value of the banks' properties in Edmonton was refused. Mayor Clarke won his point, although not to the extent of the $50,000 or $10,000 he mentioned.

Describing the banks as "a closed circle," J. P. Ryan, alderman and chairman of the city council's finance committee of Brantford, Ontario, recently asserted that the banks "hold a club over us while they dole out their money to large corporations."

He charged the C. P. R. paid only 3.7 per cent on money loaned by the banks while municipalities were compelled to pay five per cent. "The situation is ridiculous," declared the irate city councillor, who forecast the possibility of Brantford leading other Ontario municipalities in a "united effort to see that the municipalities are reasonably treated."

"Break the Banking Ring"

"I think," he continued, "Brantford will have to give leadership in this regard. If we can't break the banking ring, we'll start a province-wide agitation to find ways and means of municipal financing without paying these ridiculous rates." Brantford's mayor, M. M. MacBride, supported the bank-attacking Mr. Ryan, suggesting Brantford's tax rate could be struck early in the year and taxes collected in four or more installments, thus reducing bank borrowings to a minimum.

In Hamilton, Ontario, a scheme for a municipal bank was mooted recently, based apparently on the idea of the city creating a banking organization which would compete with the chartered institutions.

Unlike his mayoral confreres, Hamilton's Mayor Morrison immediately put his foot down on the proposal as impractical. A Hamilton newspaper described the plan as "bunk," and pointedly remarked that if a municipal bank were created in Hamilton, it might run into early trouble in the form of a curt demand from the chartered banks to meet its unfunded overdraft of $2,500,000.

The truth is that one "run" would probably ruin a municipal bank, apart from the fact that under municipal-political direction, such a bank would probably never command enough confidence to attract deposits in the first place.

Seek Other Sources

An alternative suggestion in Hamilton was that if the city cannot obtain low interest rate accommodation from the chartered banks, it might seek extension of the credit facilities of the Bank of Canada. The suggestion was made in Hamilton but it reflects the attitude of other municipalities and provincial governments which are obviously looking for some form of banking accommodation other than that of the chartered institutions.

The announced policy of Alberta regarding a provincial bank, among myriad financial schemes emanating from that province is not regarded by banking circles in the same light as other provincial banking proposals. Alberta's situation is well known and unique in the light of Social Credit administrative policies.

In Ontario, where a provincial savings office has existed for years, experience revealed the real function of the savings offices to be entirely different from that of the ordinary bank. As a part of the provincial equipment for making farm loans, Ontario's savings office lost money, and it is now chiefly a means of short-term provincial financing for the Ontario Government.

New Brunswick's Bank

Bankers are giving close study, however, to recent developments in New Brunswick where a provincial loan office was created by legislation last month.

Seeking new avenues of revenue, New Brunswick passed a corporation income tax law which increases taxation on banks, already bearing a substantial tax burden at a time when channels of profitable investment are few. But so are sources of new taxation, and in New Brunswick, as elsewhere, banks have been called upon to contribute more to government coffers.

At the same time, New Brunswick created provincial loan offices, designed to receive deposits, and to supply funds for assistance to agriculture and industry . . . . a function which chartered banks are designed to perform with their equipment, services and funds.

The New Brunswick loan offices, or provincial banking system, are also empowered to buy the bonds or debentures of the Dominion, the province of New Brunswick or New Brunswick municipalities.

The broadened scope of New Brunswick's bank-loan office legislation indicates a probable greater degree of competition with chartered banks than exists in other provinces, particularly in its reference to "assistance to industry."

Banks meanwhile are not entirely silent. Through advertisements and in the statements of their officials they are continually, although perhaps inadequately, acquainting the public with the true functions of the Canadian banking system; of its merits and limitations.

Weekly Bank Clearings

	May 7 1936 $	Change year ago %	Apr. 30 1935 $
Halifax	2,952,144	+ 32.3	2,021,759
Saint John	2,323,350	+ 27.3	1,726,392
Sherbrooke	713,303	+ 29.5	523,165
Quebec	5,675,951	+ 50.8	3,903,522
Montreal ..	157,562,153	+ 93.4	97,647,648
Ottawa	71,418,518	— 4.8	21,328,499
Kingston ..	722,475	+ 24.6	438,637
Peterborough	736,206	+ 22.4	626,574
Moncton ...	777,980	+ 32.2	662,285
Toronto ...	161,886,753	+ 58.0	102,828,513
Hamilton ..	5,149,392	+ 45.6	4,124,363
Kitchener .	1,261,821	+ 4.2	847,943
Brantford .	1,228,893	+ 61.0	669,374
London	3,937,183	+ 43.9	2,232,302
Windsor ...	3,275,933	+ 53.6	3,211,872
Chatham ..	614,033	+ 54.4	411,421
Sarnia	562,753	+ 18.7	367,614
Sudbury ...	835,262	+ 26.6	896,813
Fort William	961,110	+ 43.8	579,746
Winnipeg ..	81,768,965	+122.6	56,406,498
Brandon ...	357,849	+ 11.5	244,805
Regina	5,923,683	+100.5	3,128,211
Moose Jaw	714,422	+ 82.1	471,591
Saskatoon .	1,694,972	+ 19.8	1,256,706
Prince Albert	431,550	+ 35.5	289,501
Edmonton .	4,520,674	+ 22.6	3,253,211
Medicine Hat	273,455	+ 31.3	205,909
Calgary ...	8,012,316	+ 81.5	5,281,119
Lethbridge..	500,878	+ 28.4	451,110
N. W'minster	712,644	+ 44.2	621,193
Vancouver..	19,828,856	+ 53.6	17,733,738
Victoria ...	1,986,316	+ 30.5	1,527,198

Lost Money

Drafts, Cheques Issued But Never Cashed

Further unclaimed certified cheques, drafts, bills of exchange, etc., reported in the return to Parliament by the Royal Bank, are as follows:

The Quebec Bank, on May 21, 1913, issued a draft in favor of **J. H. Sterling,** of La Tuque, Que., for $25. His last known address is Lacshea, Que.

W. Hilliku, of La Tuque, issued a certified cheque to **William Alexander,** also of La Tuque, on Sept. 18, 1919. It was never cashed. The money is being held in the bank at La Tuque.

J. D. Duval, of La Tuque, issued a certified cheque to **Armand Pednaud,** also of la Tuque, on Dec. 29, 1922, for $15. It was never cashed.

A. Pryde, of Lennoxville, Que., issued a draft or cheque in favor of **The T. Eaton Co. Ltd.,** for $5.44, on Oct. 28, 1928. The draft or cheque was never cashed. The money is being held at Lennoxville.

A. A. Lesson, of Merrickville, Que., issued two certified cheques, still uncashed, to **A. J. Vidas,** on May 26, 1930; and to **"McLean"** for $10. Both Mr. Vidas and Mr. McLean lived at Oxford Mills, Ont. The Vidas cheque was issued May 26, 1930, and the McLean cheque on Aug. 14, 1930.

The Mutual Film Co. of Canada Ltd., of Montreal, issued a certified cheque for $200 on June 14, 1919. The name of the payee is not listed but the cheque was never cashed.

J. Fruley, Ltd., of Montreal, issued a certified cheque to **D. Wilkie, Jr.,** also of Montreal, for $60.92 on May 12, 1919. It was never cashed.

The Montreal Trust Co. issued a certified cheque or draft for $175 on May 31, 1918 (name of payee unlisted. It was never cashed.

The Oxford Society, 1171 St. James Street, Montreal, issued a certified cheque for $20 on April 15, 1926. It is not cashed and the name of the payee is not given.

William Cooke, of North Sydney, N.S., issued a certified cheque (payee not identified) at Montreal on Sept. 13, 1926. The amount is $47.80 and it was never cashed.

Craig, Luther and Irvine, of 276 St. James Street, Montreal, issued a certified cheque for $50 on Sept. 3, 1926. Payee is not named in the Royal Bank return. The cheque was never cashed.

The Tom Moore Club, of St. Anne de Bellevue, issued a cheque for $10 (certified) on Jan. 14, 1927. The payee is not mentioned but the cheque was never cashed.

The Metropolitan Life Insurance Co. issued, at Montreal, a cheque or draft for $50.43 on Dec. 14, 1927. The payee is not named but the cheque or draft was never cashed.

L. F. Rothschild and Co., expense a/c, issued a draft or certified cheque on Dec. 21, 1927, for $30. The payee is not named but the cheque was never cashed.

Brown, Montgomery and McMichael, of 360 St. James Street, Montreal, issued a draft or cheque for $30 on Dec. 28, 1927. The payee is not named but the cheque was never cashed.

The Dominion Finance Co., of 232 St. James Street, Montreal, issued a draft or cheque for $612.50 on March 8, 1927. The payee is not identified but the cheque or draft was never cashed.

The Fire Insurance Co. of Canada, 465 St. John Street, Montreal, issued a certified cheque or draft (payee not named) for $24.36 on Aug. 30, 1928. The cheque or draft was not cashed.

Lower St. Lawrence Power Under N. B. Commission

From Our Own Correspondent

MONTREAL. — Lower St. Lawrence Power Co., which is distributing power in Madawaska County, under an agreement with the Maine and New Brunswick Power Co., must come under the provisions of the New Brunswick Public Utilities Act, according to a ruling laid down by the Commission.

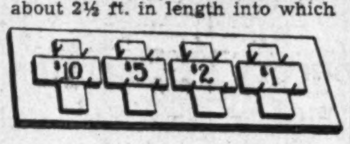
Cement Shipments

Shipments of Portland cement in Canada totalled approximately 96,500 barrels in January, 1935, as compared with 116,600 in December and 53,500 in January, 1935.

Teller's "Paying Board" Reduces Errors and Time

Like most brilliant ideas, a new device for rapid and accurate counting of paper currency by bank tellers is simplicity itself.

The invention of a Montreal teller of The Canadian Bank of Commerce is merely a wooden board about 2½ ft. in length into which



nails are driven as shown in the accompanying sketch.

Between the nails, in crisscross fashion are placed notes of $1, $2, $5, $10 or higher denominations if necessary, in batches of ten notes each, previously counted at leisure.

With a rush of customers, lined up at the paying teller's wicket, and payroll cheques to be cashed among others of smaller amounts, operation of the "pay-board" is simple.

If a cheque is presented for $150, for example, the teller picks up a bundle of $10's, one of $5's and passes them through the wicket without further counting, the bills having been previously counted and checked.

Bankers estimate the saving in time to teller and customers is about 50 per cent. The inventor of the device has yet to look for "shortages," a fact that indicates the usefulness of the board which is located on a lower shelf of the cage.

Bank of Canada Weekly Statement

Reserve ratio of the Bank of Canada dropped to 62.48 per cent in the week ended May 6, from 64.28 per cent at the end of the preceding week.

The decline is due to the maintenance of the earlier reserve position in the face of a sharp increase in deposits which rose from $209.4 millions to $216.8 millions. The gain was due almost entirely to deposits from other banks, amounting to $194.8 millions against $187.4 millions a week earlier.

Total reserves of $192.4 millions were little changed, however, from $193 millions at April 29. Total liabilities rose from $306.7 to $316.4 during the period.

On the corresponding side of the balance sheet are shown $2 millions advances, an item which did not appear in the preceding week's statement, and a gain from $2.2 millions to $10.3 millions to $10.3 millions in "all other assets."

Balance Sheet

	May 6 $	Apr. 29 $
Liabilities		
Capital paid-up ...	5,000,000	5,000,000
Notes in circ.	91,197,571	90,924,489
Rest fund	173,092	173,092
Dep.: Dominion ...	21,273,188	21,670,692
Banks	194,826,024	187,415,370
Other	764,911	354,543
Total deposits	216,864,123	209,440,605
All other liabs.	3,241,519	1,178,385
Total liabs.	316,476,305	306,716,571
Assets		
Reserve: Gold	179,647,980	179,935,609
Silver bullion ...	1,682,678	1,636,496
Res. in sterling ..	1,875,630	1,684,511
Res. in U. S.	9,258,799	9,836,025
Res. elsewhere ..	11,482	5,602
Total reserve	192,476,569	193,098,244
Subsidiary coin ...	305,747	295,034
Advances	2,000,000	....
Investments:		
Dom. govt. short.	28,757,764	28,541,893
Other Dom. govt.	82,418,314	82,371,532
Total invest.	111,176,078	110,913,425
Premises	122,709	121,054
All other assets ...	10,395,202	2,288,814
Total assets	316,476,305	306,716,571
Reserve ratio	62.48%	64.28%

Staff Changes

The Bank of Montreal announces the following staff changes:

W. C. MORLEY, from Swift Current, Sask., to Limerick, Sask., as manager.

R. WELLS, manager at Limerick, Sask., to Raymond, Alta., as manager.

R. G. COUPLAND, from Yorkton, Sask., to Chauvin, Alta., as manager.

C. R. SMITH, manager at Chauvin, Alta., to Sedgewick, Alta., as manager.

J. H. BUCHANAN, manager at Sedgewick, Alta., to Westlock, Alta., as mgr.

J. A. CONSTANTINE, manager at Drumheller, Alta., to Brampton, Ont., as manager.

H. B. MACPHERSON, manager at Brampton, Ont., to Brockville, Ont., as manager.

J. A. T. A. ALLARD, St. Sauveur, Que., to Napierville, Que., as manager.

E. A. OUIMET, manager at Napierville, Que., to St. Eugene, Que., as manager.

J. A. E. DROUIN, manager at St. Eugene, Que., to St. Joseph d'Alma, Que., as manager.

J. J. G. RICHARD, manager at St. Joseph d'Alma, Que., to St. Hyacinthe,

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Portage Risks Are Assumed By Wawanesa

Business in Ontario and Eastern Provinces Taken Over

NEW FIRE BUSINESS

Acquisition by Wawanesa Mutual Insurance Co. of the business of Portage la Prairie Mutual in Ontario and other eastern provinces is the latest step in expansion of Wawanesa's operations, already among the largest in volume in Canada.

One result of the acquisition is that Wawanesa now has greater annual net fire premiums in Ontario than any other company. Net premiums written by Portage la Prairie last year were $328,783. Net fire losses during 1935 were $190,787, with a ratio of losses incurred to premiums earned of 47.86 per cent.

Experience of Portage la Prairie in the last five years includes a loss ratio of 74.11 in 1931, a rise of 89 per cent in 1932, and a subsequent decline to 48.23 per cent in 1933. Loss ratio in the last three years has been relatively steady, but Portage la Prairie has gradually withdrawn from various classes of insurance, and in 1935 embarked upon a policy of restricting the company's operations to the writing of fire and windstorm risks.

All casualty lines were either cancelled or reinsured during 1935, with the result that there was a reduction in the figures of gross assets, standing at $622,993 at the end of 1935. Liabilities were also decreased correspondingly, and the financial position of the company was improved at the end of last year.

Assets of $622,993

Total assets of $622,993 do not include unassessed premium notes to the value of $550,990. The current market value of bonds and stocks at the end of the year was higher by $36,487 than the book values shown on the balance sheet.

Last year Wawanesa acquired the automobile business of Portage la Prairie in British Columbia. The newest acquisition by Wawanesa affects only Portage la Prairie's business in the eastern provinces and Ontario, however, and Portage la Prairie continues its fire and windstorm business in western Canada. The company operates offices in Toronto, Winnipeg, Regina, and Calgary, in addition to the head office at Portage la Prairie. It is in its 53rd year, and has written fire and windstorm risks for more than half a century.

Wawanesa Mutual

Wawanesa Mutual has expanded its operations largely in recent years. During 1935 the company registered in New Brunswick and is also licensed in Nova Scotia. It is now operating from coast to coast.

Net premiums written in 1935 were $1,269,117, compared with $1,051,884 in 1934. Losses declined in the same year by $41,734. Assets at the end of 1935 were $1,532,994, compared with $1,271,637 at the end of the previous year.

The net amount at risk at the end of 1935 was $246,411,751.

The new arrangement by which Portage la Prairie's fire business in Ontario and other eastern provinces is taken over came into effect as at the end of April.

The branch office of the Wawanesa Mutual Insurance Co., serving the maritime provinces, has been transferred from Saint John, N.B., to Moncton, N.B.

New Licenses

National Fire Insurance Co. of Hartford has received a certificate of registry for earthquake insurance, limited to the insurance of the same property as insured under a policy of fire insurance of the company, and insurance against direct loss and damage to property by airplanes, air ships, or objects falling from aircraft. Property damaged by automobiles or other motor vehicles is provided for in the new certificate, in addition to the classes for which the company is already registered in Canada.

Announcement of the additional registration is made by G. D. Finlayson, superintendent of insurance, Ottawa.

Oxford Farmers' Mutual To Distribute Assets

Oxford Farmers' Mutual Insurance Company, one of the oldest insurance institutions in Oxford County, Ontario, is being wound up.

Head office is at Embro, Oxford County. Organized in June, 1884, the company was familiar to almost every farmer in Oxford. It usually carried risks to an amount of about $3 millions.

Winding up of Oxford Farmers will involve a pro rata distribution of assets to policy holders. H. W. Sutherland, long identified with the company, has been appointed liquidator.

Montreal Machinery Firm Adopts Pension Coverage

Williams & Wilson Ltd., distributors of machinery and engineering equipment, of Montreal, Toronto and Quebec, have adopted an employee retirement programme which assures a definite income on retirement to all employees of the company who retire from work at certain fixed ages.

The plan has been placed with Metropolitan Life Insurance Co.

McCulloch Joins Anglo-Canadian

Frank McCulloch, new assistant manager of Anglo-Canadian Underwriters, of Lloyd's, and former Moose Jaw, Sask., insurance man, has arrived in Toronto to assume his new post.

Since last September he has been advisor of government insurance to the Saskatchewan government.

...H A. SHACKELL has been ... agency manager in Mont... district for Ontario Equit-

SUN LIFE APPOINTMENTS

George H. Harris, formerly superintendent of field services, Sun Life of Canada, who has been appointed public relations officer for the company.

J. E. Chandler, formerly supervisor, press bureau, Sun Life of Canada, who has been appointed publicity officer. Mr. Chandler will co-ordinate the various divisions of advertising and publicity.

Life Insurance Shareholders

Monarch Life

Wide diversity of holdings throughout Canada and in some parts of United States is indicated by a detailed study of the shareholder list of Monarch Life Assurance Co. of Winnipeg.

Individual holders of five or more shares at the last date for which official information is available (December 31, 1933) follow:

Name: Address	No. of Shares
100% Paid-up	
Trusts & Guarantee Co., Ltd. (est. Mathew Wilson), Toronto	12
10% Paid-up	
Adams, Elias (in trust), Vancouver	10
Adams, Frank W., Toronto	90
Aldrich, Carl M., Nebraska City, Neb.	10
Anderson, E. (K.C.), Winnipeg	30
Anderson, Harry L., Kitchener, Ont.	25
Anderson, Helen M., Toronto	25
Anderson, James, Vancouver	7
Andrews, A. T., Elgin, Man.	10
Andrews, Wm., West Kildonan, Man.	5
Appleton, Marshall B., Yorkton, Sask.	10
Ardern, Wm., London, Eng.	10
Armour, Robert (dec.), Regina, Sask.	10
Armstrong, Hugh (dec.), Portage la Prairie, Man.	50
Armstrong (estate of Jas. W.), Winnipeg	10
Arthur, Geo. H. (dec.), Port Arthur, Ont.	30
Atkinson, Mrs. Edna L., Malden Mass.	10
Atkinson, S. T., Saskatoon, Sask.	5
Audet (estate of Ales), Vancouver	20
Baker, Mrs. Ella A., Winnipeg	100
Baldwin, Mrs. Elizabeth, Sault Ste. Marie, Ont.	10
Ballachay, Alec. A., High River, Alta.	10
Barter, Mrs. Oza J. A., Saint John, N.B.	5
Barton, Miss Irene M., Winnipeg	20
Beath, Thos. (dec.), Winnipeg	10
Beckett, John W., Winnipeg	16
Bell, Mrs. Lillian B., Regina, Sask.	5
Bennett, Rt. Hon. R. B., Calgary, Alta.	50
Billett, Roasmond, Winnipeg	30
Binns, Noble, Trail, B.C.	10
Bird, Harry, Victoria, B.C.	5
Bird, Robert M., Victoria, B.C.	5
Bishop, Miss Constance E., Woodstock, Ont.	5
Black, Francis M. (Hon.), Vancouver	20
Boles, Emma, Toronto	50
Bolton, Wm. J., Rainy River, Ont.	10
Bone, Mrs. Enid M., Westmount, Que.	10
Bongard & Co., Toronto	25
Braden, Alfred W., Vancouver	5
Brown (est. of Daniel), Regina, Sask.	5
Brown, Dr. Geo A., Winnipeg	5
Brown, Geo. W. (dec.), Port Arthur, Ont.	30
Brown, Wm. R., Port Arthur, Ont.	30
Buchanan, Jas., Trail, B.C.	7
Buchanan, Thos. W., Prince Albert, Sask.	5
Buie, Donald H., Calgary, Alta.	15
Bulyea, Mrs. Annie B., Saint John, N.B.	10
Burley, Edward W., Picton, Ont.	10
Burnet, Frank L., Calgary, Alta.	10
Cadham (estate of Emma S.), Portage la Prairie, Man.	20
Cadham, Mrs. Nina E., Winnipeg	12
Caldwell, Dr. Thos. W., Invermay, Sask.	10
Cameron, Mrs. Annabell M., Manitou, Man.	50
Campbell, G. F., Toronto	5
Campbell, John F., Winnipeg	100
Campbell, Mrs. Minnie J. B., Winnipeg	50
Canniff, Annie E. N. (dec.), Los Angeles, Calif.	5
Carlin, Wm. G., Fort Steele, B.C.	10
Carscallen, Dr. A. D. (dec.), Winnipeg	10
Chalmers, John, Westmount, Que.	20
Charlton, Annie C., Long Beach, Calif.	60
Cherry, Thos. J., Keewatin, Ont.	10
Chirnside, Wm., Victoria, B.C.	10
Clarke, Mrs. Emily, Downsview, Ont.	10
Clarke, Leonard R., Vernon, B.C.	10
Clarke, Wm. H., Downsview, Ont.	5
Coates, Miss Bertha L., Winnipeg	5
Collins, Mrs. Isabella J., Gladstone, Man.	10
Colvin, Mrs. Annie E., Pleasant Ridge, Mich.	20
Cooper, Mrs. Elzina R., Winnipeg	10
Cooper, Warren, Nanton, Alta.	5
Cousins, Grace W., Medicine Hat, Alta.	15
Craig, Mrs. Rita M., Winnipeg	311
Craig, Wm. J., Keewatin, Ont.	30
Cross, Alfred E., Calgary, Alta.	5
Cross, Col. Jas. A., Regina, Sask.	5
Crowe, Jas. J., Dauphin, Man.	14
Crozier, Mrs. Jean M., Winnipeg	10
Crumpton, Mrs. Margaret, Weston, Ont.	10
Crysdale, Chas. A., Vancouver	45
Cunningham, John H., Regina, Sask.	5
Dadson, Thos., Wolfville, N.S.	10
Dawson, Albert, Victoria, B.C.	10
Dawson, Herbert B., Port Arthur, Ont.	10
Day, Mrs. Mary, Red Deer, Alta.	20
De Pencier, Rev. Adam U., Vancouver	25
Dixon (estate of Isaac), Maple Creek, Sask.	5
Dixon (estate of John), Regina, Sask.	5
Doupe, Jacob L., Winnipeg	10
Drew, John A. C., Duncan, B.C.	35
Drewry, Geo., Kenora, Ont.	60
Drewry, Wm. S., Victoria, B.C.	10
Drinnan, J. K., Pashley, Alta.	5
Dudley, Ira W., Seattle, Wash.	10
Duke, Jos. R., Findlater, Sask.	5
Duncan, Geo. H., Edmonton, Alta.	10
Dunning, Clement G., Calgary, Alta.	10
Du Tremblay, P. R., Montreal	100
Earngey, Jos. P., Kenora, Ont.	10
Echlin, Annie S., Winnipeg	65
Echlin, Peter D., Winnipeg	45
Eland, W. E. A., Winnipeg	20
Fairfield, Wm. H., Lethbridge, Alta.	10
Farell, Samuel J., Holden, Alta.	10
Fear, Geo. M., Banff, Alta.	50
Fear, Wm. H., Banff, Alta.	50
Fee, Mrs. Dorothy, Vancouver	6
Ferguson, Geo., Nelson, B.C.	5
Ferguson, Mrs. Isabel G., Brandon, Man.	34
Ferrier, Mrs. Sarah A., Vancouver	10
Findlay, Wm. T., Medicine Hat, Alta.	10
Flanders, John A., Winnipeg, Man.	50
Ford (estate of A. B.), Oshawa, Ont.	5
Fordyce, Geo., Calgary, Alta.	10
Frontier, Theophile, Kamloops, B.C.	15
Fuller, Geo. D., Chicago, Ill.	5
Fuller, Jas. G., Granby, Que.	15
Gammell, Byard, Brampton, Ont.	20
Gardner, Frank, Kenora, Ont.	10
Garneau, Hon. E. B. (estate), Quebec, Que.	50
Gerlach & Co., New York, N.Y.	10
Gething, Wm. H., Winnipeg	20
Gibson, Mrs. Clara B., Yorkton, Sask.	75
Gilhuily, Richard H., Selkirk, Man.	5
Glenerin Farms, Ltd., Toronto	75
Glenwright, J. W., Edmonton, Alta.	10
Gonneville, Rev. Peter H., Kamsack, Sask.	10
Good, Mrs. Mary, Port Arthur, Ont.	15
Gordon, Andrew, Cavendish, Alta.	20
Gordon, Mrs. Anna McG., Winnipeg	25
Gordon, Jas. C., Stavely, Alta.	15
Gourley, Mrs. Laura L., Winnipeg	5
Gourley, Robert J., Winnipeg	128
Graham, Jas. T., Vancouver	10
Grant, Stanley G., Winnipeg	5
Grauer, Rudolph M., Eburne, B.C.	10
Green, Alfred H., Nelson, B.C.	5
Green, Mrs. Ethel, Nelson, B.C.	5
Greer, Chas. H., Port Arthur, Ont.	10
Greer, Mrs. Elizabeth, Winnipeg	10
Greer, Samuel W., Port Arthur, Ont.	10
Grindley, Walter, Guelph, Ont.	25
Hansen, Jas. S., Sydenham, Ont.	10
Hanwell, Harry E., Port Hammond, B.C.	20
Harcourt, Geo., Edmonton, Alta.	10
Hargraft (est. of A. R.), Winnipeg	10
Hargrave, Jas., Medicine Hat, Alta.	100
Harris Abattoir Co., Ltd., Toronto	95
Harris, Miss Ada M., Calgary, Alta.	10
Harvey, Wm. (dec.), Winnipeg	180
Haultain, Sir F. W. G., Regina, Sask.	5
Hauto, Wm., Fort William, Ont.	10
Hawes, Jane O. E., Winnipeg	10
Hawitt, Leslie F., Tisdale, Sask.	5
Hay, Adam and J. A. Alexander, St. Vital, Man.	5
Henderson, Frederick W., Lethbridge, Alta.	10
Henderson, Margaret, Lethbridge, Alta.	50
Henderson, Wm. S., Lethbridge, Alta.	10
Henselwood, E., Winnipeg	25
Howey, Eva (dec.), Winnipeg	5
Hughes, Harley M., Winnipeg	10
Hunt, Theodore A., Winnipeg	50
Hutchinson, Jas. N., Winnipeg	25
Innes, Mrs. Frances A., Woodstock, Ont.	5
Ironside, Mrs. Sarah S., Calgary, Alta.	25
Irving, Dr. Jas. F., Yorkton, Sask.	10
Irwin, M. F. R. (dec.), Winnipeg	5
Jackson, Thos. C., Ottawa	5
Jackson, Thos. E., Kenora, Ont.	20
Johnston, Andrew B., Toronto	110
Johnston, Edward F., Winnipeg	10
Johnston, Wm., Drumheller, Alta.	20
Jutras, Mrs. Mary, Kamsack, Sask.	10
Kain, John A., Regina, Sask.	5
Kellock, David (dec.), Harrisville, N.Y.	5
Kelly, Geo. H., Winnipeg	20
Kennedy, Alfred L., Truro, N.S.	17
Kennedy, Mrs Catherine J., Victoria, B.C.	5
Kennedy, L. A., Regina, Sask.	5
Kennedy, Miss Mary L., Regina, Sask.	5
Kennedy, Robert H., Hilden, N.S.	30
Kenning, Dr. Angus W., Victoria, B.C.	10
Kenny, Frederick, Calgary, Alta.	20
Kenny (estate of John), Victoria, B.C.	10
Kilgour, Miss Margaret, Winnipeg	5
Kirkpatrick, Robert A., Los Angeles, Calif.	10
Leask, Dr. Thos. M., Moose Jaw, Sask.	10
Lexington Securities Co., Winnipeg	25
Lighthall, G. R., Montreal	10
Ling, Mrs. Olive E., Kaslo, B.C.	10
London & Western Trust Co., Ltd. (est. of Henry Byrnes), Winnipeg	10
Lyall, Mary L. (dec.), Montreal	50
Lyster, Christopher N., Melbourne, Que.	130
Lyster, Franklin N., South Durham, Que.	5
MacDonald, Daniel A., Winnipeg	5
MacDonald, Mrs. Grace, Vancouver	5
Macdonald, Reginald M., Vancouver	5
Macfarlane, J. A., Winnipeg	131
MacKay, Dr. Hugh, Winnipeg	5
MacKenzie, Mrs. Sarah, Winnipeg	40
MacLeod, Murdoch J., Edmonton, Alta.	10
Macpherson (est. of R. J.), Winnipeg	50
Madden, Mrs. Margaret, Nelson, B.C.	5
Main, Daniel T., Montreal	5
Main, Eleanor N., Montreal	5
Malkin, John P. D., Vancouver	35
Marland, Mrs. Edith C., Prince Albert, Sask.	15
Marshall, Mrs. Gertrude W., Victoria, B.C.	5
Matheson, Mrs. Jessie, Winnipeg	33
Matheson, Robert M., Brandon, Man.	65
Matheson, Wm. A., Winnipeg	282
Mathieu, Rachel V., Rainy River, Ont.	5
Medland, Wm., Somerset, England	25
Meek, Dr. E. E., Regina, Sask.	10
McArthur, Dougald A., Winnipeg	25
McClive, Mrs. Polly, Niagara Falls, Ont.	8
McClory, Mrs. Helena J., Nanaimo, B.C.	5
McCord, Miss M. E., Winnipeg	5
McCulloch, Hugh W., Souris, Man.	10
McCullough, C. C., Fort William, Ont.	5
McDermid, Mrs. Etta B., Vancouver	5
McDermot, Alexander L., Vancouver	10
McDiarmid, Margaret A., Brandon, Man.	13
McDougall, Annie, Calgary, Alta.	10
McEachren, John, Winnipeg	10
McEdward (estate of Geo.), Fort William, Ont.	10
McFadden, Mrs. E. C., Dauphin, Man.	5
McFadyen, Chas. H., Winnipeg	15
McGill, Dr. Harold W., Calgary, Alta.	25
McGillis, Donald J., Port Arthur, Ont.	10
McGillis, Miss Frances, Port Arthur, Ont.	10
McGuire, Miss Marguerite, Buffalo, N.Y.	20
McIntyre, John L., Guelph, Ont.	105
McKim, Mrs. Bessie M., Melville, Sask.	10
McLaren, Mrs. Susan, Fort William, Ont.	5
McLennan, E. D. and K. S., Monrovia, Calif.	115
McMeans, L., Winnipeg	10
McNally, Dr. A., Lethbridge, Alta.	10
McPherson, John S., Winnipeg	20
McRae, John, Fort William, Ont.	10
McRae, Miss Lilian R., Belleville, Ont.	10
Mickleborough, Catherine, Grand Coulee, Sask.	5
Miquelon, Jean R., Calgary, Alta.	10
Moffat, Wm., Vancouver	100
Morrison, Ernest, Rossland, B.C.	5
Morrow, Mrs. Isabel, Los Angeles, Calif.	20
Mullins, Henry A., Toronto	60
Murphy, Jas., Fort William, Ont.	125
Murray, Geo. H., Minneapolis, Minn.	10
Murray, Jas. R., Winnipeg	20
Musgrove, Wm. W. L., Winnipeg	5
National Trust Co., Ltd. (est. Robt. F. Manning), Winnipeg	5
Nation, Jasper, Vancouver	5
Neely, W. G., Winnipeg	10
Newcombe, Chas. K., Winnipeg	13
Niblock (estate of Wm. G.), Medicine Hat, Alta.	10
Nichol, Dr. Wm. R., Winnipeg	10
Nolan, Henry G., Calgary, Alta.	10
Northern Trusts Co. (estate Andres Kidd), Winnipeg	10
Osler & Hammond, Toronto	10
Pagon, Geo., Davidson, Sask.	25
Palling, Wm., Fort William, Ont.	10
Parlee, Mrs. Haliburton, Edmonton, Alta.	20
Parrish, Wm. L., Winnipeg	50
Parson, Mrs. Mary J., Golden, B.C.	10
Patterson, Frank P., Vancouver	10
Pattison, A. J., Jr. & Co., Toronto	10
Paul, Mrs. Edith R., Toronto	5
Pearce, Miss Frances, Calgary, Alta.	5
Pearce, Wm. M., Toronto	10
Pearson, Erley A., Hamilton, Ont.	15
Penfold, Mrs. Margaret A., Fort William, Ont.	10
Pennefather, Frances R., Winnipeg	15
Perine, Mrs. Isabelle, Hamilton, Ont.	10
Pickersgill, Henry J., Kentville, N.S.	10
Popham, E. G., E. C., and H. E., Winnipeg	50
Poucher, Chas. A., Allandale, Ont.	20
Powers, Dr. Chas. A., Brandon, Man.	20
Pratt, Dr. John I., Port Arthur, Ont.	20
Price (estate of Alfred), Winnipeg	10
Proby, F. H., Vancouver	25
Proby, F. H. (in trust), Vancouver	50
Proby, Mrs. J. Irene, Vancouver	75
Proctor, Dr. Arthur P., Vancouver	10
Quance, Dr. Samuel H., Hagersville, Ont.	10
Rainey, Arthur F., Winnipeg	26
Rainey, Herbert F., Winnipeg	15
Randall, Mrs. Elizabeth, Vancouver	10
Rayner, Miss Alice V., Winnipeg	5
Reesor, David A., Brandon, Man.	10
Richardson, Jas. & Sons, Montreal	7
Robb, Wm. G., Kaslo, B.C.	15
Robertson, David (dec.), Vancouver	5
Robertson, Jas. F. (dec.), Vancouver	5
Robinson, Arthur H., Winnipeg	5
Robinson, Jerry, Winnipeg	13
Rogers, Jonathan, Vancouver	65
Rogers, Dr. Wm., Winnipeg	90
Romig, Mrs. Murial K., Toronto	5
Rose & Hartin, Drs., Nelson, B.C.	10
Ross, Donald A., The Pas, Man.	6
Ross, John T., Quebec, Que.	10
Ross, Wm. R., Vancouver	5
Routly, Mrs. Adelaide V., Montreal	5
Royal Canadian Securities Co., Winnipeg	10
Royal Trust Co. and Mrs. I. Ferguson, Winnipeg	10
Royal Trust Co. (estate H. A. Forget), Montreal	10
Royal Trust Co. (estate W. C. Nichol), Victoria, B.C.	25
Russell, J. H. G., Winnipeg	25
Rutherford, A. C., Edmonton, Alta.	50
Sanborn, Mrs. Antionette, Edmonton, Alta.	100
Sanders, Wm. J., Brandon, Man.	10
Sandford, Percy L., Calgary, Alta.	5
Scarth, W. H. (in trust), Banff, Alta.	10
Schoenan, Mrs. Elizabeth, Winnipeg	50
Schoenleben, Aaron, Weyburn, Sask.	10
Scotland, John, Calgary, Alta.	5
Sharp, Mrs. Mary L., Winnipeg	25
Shaw, Dr. Geo. M., Weyburn, Sask.	10
Sick, Fritz, Lethbridge, Alta.	20
Simpson, John, New Westminster, B.C.	10
Sinclair, Robert M., Moose Jaw, Sask.	20
Sinclair, W. C., (in trust), Port Arthur, Ont.	20
Sissons, Mrs. Constance K., Toronto	10
Skitch, Wm. E., Calgary, Alta.	10
Slocombe, Fred, Royal Oak, B.C.	20
Smith, Bertram S., Calgary, Alta.	10
Smith, Miss Caroline, Woodbridge, Eng.	25
Smith, Jas. M., Regina, Sask.	5
Smith, Mrs. Margery D., Ogdensburg, N.Y.	15
Smith, Norman W., Winnipeg	5
Smith, W. Ryrie, Toronto	15
Snelgrove, Mrs. Eliza J., Fort William, Ont.	25
Snelgrove, Mrs. Margaret, Vancouver	25
Snelgrove, Robert J., Vancouver	25
Snider, John H., Norman, Ont.	10
Sparling, John K., Winnipeg	10
Spink, Norman O., Winnipeg	17
Splatt, Arthur, Winnipeg	20
Standard Trust Co. (estate of J. O. Todd), Winnipeg	10
Stanley, Geo. D., Calgary, Alta.	20
St. Denis, André J. H., Montreal	100
Steinkopf, Max, Winnipeg	5
Stephen, Percy S., Saskatoon, Sask.	5
Stewart, Mrs. Florence C., Toronto	25
Stewart, Chas. J. (dec.), Edmonton, Alta	5
Stewart, Geo. H., Winnipeg	50
Stewart, John W. W., Toronto	243
Stinson, John C., Detroit, Mich.	10
Stonhouse, Stephen B., Winnipeg	20
Sullivan, Mrs. Lucia G. M., Santa Monica, Calif.	7
Sutherland, Dr. Wm. H., Vancouver	5
Swan, Mrs. Helen M., Toronto	20
Tarr, E. J., Winnipeg	615
Tarr, Mrs. Kathleen A., Winnipeg	228
Taylor, C. M. and H. Ford, Winnipeg	200
Taylor, Ernest D., Edmonton, Alta.	75
Taylor, Jas. N., Victoria, B.C.	10
Taylor, Una C., Winnipeg	50
Teachers' Investment Sec. Ltd., Oshawa, Ont.	5
Telfer, Mrs. L. L. (dec.), Winnipeg	19
Thompson, Mrs. Andrew, Regina, Sask.	5
Name: Address — Shares	
10% Paid-up	
Thomson, Wm. R., Vancouver	10
Thomkins, Jas. D., Vernon, B.C.	5
Toole, Wm., Calgary, Alta.	10
Towers, Jas. E., Kamsack, Sask.	10
Townshend, Dr. Cecil, Canmore, Alta.	10
Trust General du Canada (in trust for Dr. R. Boulet), Montreal	15
Tucker, Alfred A., Winnipeg	10
Turnbull, Mrs. Gwendolyn, Winnipeg	50
Turnbull, Dr. Thos., Winnipeg	50
Tyson, Lincoln F., Trail, B.C.	10
Urquhart, Geo. W., Rossland, B.C.	10
Wallace, Geo. D., Wetaskiwin, Alta.	5
Walsh, Louis (dec.), Port Arthur, Ont.	10
Wardell, Dr. Wm. H., Moose Jaw, Sask.	20
Wark, Dr. Jos. (dec.), Moosomin, Sask.	5
Warren, Mrs. Mary S., Banff, Alta.	40
Watson, Geo. T., Pilot Mound, Man.	50
Webb, Mrs. Helen B., Winnipeg	10
Weeks, Marjorie, Vancouver	12
Western Trust Co. (estate W. Brydon) Winnipeg	10
Wetterau, Mrs. Isabel, Toronto	5
White (estate of Francis), Fernie, B.C.	5
Whitman, A. O., Regina, Sask.	5
Whitman, David J., Lethbridge, Alta.	5
Williams, David, Calgary, Alta.	10
Williams, Wm. H., Winnipeg	25
Willoughby, Helen B., Cobourg, Ont.	15
Wilmot, Allan G., Woodstock, Ont.	5
Wilson, Mrs. Sarah, Moose Jaw, Sask.	5
Wilson, Wm., Edgewood, B.C.	5
Wilson, Wm. J., Vancouver	50
Winnipeg Foundation, Winnipeg	10
Wintemute, Peter A., Hamilton, Ont.	50
Wittig, Miss Lena V., Guelph, Ont.	40
Wright, Henry O., Saskatoon, Sask.	25
Young, Wm. S., Winnipeg	10
Yuill, Harry C., Medicine Hat, Alta.	5
Total	9,932

Lloyd's Group Judgment Due To Law Error

Lawyer Made Mistake in Putting Names on Petition

DOUBTS CLEARED UP

Widespread controversy is current in insurance circles over the effect of a recent decision handed down in a Montreal court by Mr. Justice Forest in connection with the petition of Non-Marine Underwriters, members of Lloyd's, against an arbitration award of a fire claim.

As indicated a week ago by The Financial Post, the judgment hinged on the fact that the petition was brought in the name of Non-Marine Underwriters, which has no corporate existence, rather than individual members of the underwriting body.

Explains Situation

Further explanation of the situation is contained in the following letter from the attorney for Non-Marine Underwriters at Lloyd's, to Anglo-Canadian Underwriters Ltd., of Toronto:

"Montreal, May 5, 1936.

"The report as contained in certain Montreal newspapers dated April 27, 1936, of the judgment rendered by Mr. Justice Forest of the Superior Court in connection with Lloyd's has been drawn to my attention by a number of people, and I, therefore, thought it was best to write to you and explain the error which occurred in this case.

Decision Correct on Facts

"On the facts presented to the judge, his decision was correct, but I regret to say that the mistake was made by the broker and the lawyer representing the individual underwriters whose names appeared on the policies in question, in that the petition placed before the court was signed in the name of 'The Non-Marine Underwriters, Members of Lloyd's, London.' This, of course, was an error, as the petition should have been signed on behalf of the individual underwriters whose names appeared on the policies and not in the name of the Non-Marine Underwriters, Members of Lloyd's, as a body.

"As I understand this error has caused considerable anxiety on the part of certain persons in connection with Lloyd's business, I think I should further point out to you that by the power of attorney given to me by all the Non-Marine Underwriters, Members of Lloyd's, London, I am authorized to accept service of a writ made out in the name of any underwriter who is responsible on any risk in Canada. It may be interesting for you to know, however, that I have not as yet had to accept a writ for any underwriter, for as you are no doubt aware, the service and acceptance of any writs which it has been necessary to issue in connection with Lloyd's business has been arranged in a mutually satisfactory manner between the lawyer representing the plaintiff and the lawyer representing the underwriters.

"I would also say that the underwriters have agreed to accept the jurisdiction of Canadian courts and abide by their decisions, and documents covering the above are on file with the Superintendent of Insurance in those provinces in which the underwriters are licensed.

"There is absolutely nothing to prevent underwriters being sued in Canadian Courts provided the proper procedure is carried out, and if in event of possible litigation you have any doubt as to the correct procedure I would suggest that you get in touch with me."

"R. C. STEVENSON."

Eleven Companies Boost Group Sales in Canada

But Total Volume Less Than Previous Year—Business in Force Shows Increase — Sun of Canada in Lead

Although 11 companies increased their underwriting of group insurance in Canada during 1935, the total volume placed in Canada during the year amounted to but $17.9 millions compared with $19.9 millions during 1934, acording to official figures prepared recently by the federal insurance department at Ottawa.

Ranking of Leaders

As in 1934, Sun of Canada was the largest underwriter with almost $5.2 millions of group business in Canada compared with $4.5 millions the previous year. The most substantial gain was made by Metropolitan Life, which wrote $2.4 millions compared with $1.4 millions the previous year, thus ranking second in total business placed during 1935. Canada Life ranked third with $2.1 millions, followed by London Life with something over $.18 millions.

On the basis of total group business in force in Canada, Sun of Canada continues in the lead with $183 millions, having increased its total during the year by over $5 millions. Next comes Metropolitan Life with $73 millions, followed by Canada Life with $67.8 millions. London Life stands third with $34.5 millions.

Analysis of the figures of group insurance written abroad by Canadian companies shows a substantial falling-off due to the fact that in 1934 Great-West Life placed a large group which brought its total for the year to something less than $18 millions. Corresponding figures for Great-West Life in 1935 was only $350,000.

Bulk of the group insurance placed abroad by Canadian companies was credited to Sun Life with a total for the year of $8.8 millions, representing a considerable increase over the corresponding figure for 1934.

Total group insurance in force abroad by Canadian companies topped the $200 millions mark again in 1935, of which $167 millions was carried by Sun Life.

Restore Lost Coverage

A feature of the year's operations both in Canada and abroad was the considerable increase in additional business to policies already in force. This gain being a direct reflection of the improvement in industrial conditions, making it possible for employees in various companies which had group plans in operation to extend and increase their coverage.

Comparative figures follow:

Group Insurance in Canada

	New Business (paid for basis) 1935	1934	Business in Force Dec. 31 1935	1934
	Net Amount $	$	Net Amount $	$
Aetna	1,388,500	513,500	40,511,889	36,711,961
Canada	2,129,263	2,006,350	67,873,759	64,676,303
Commercial	36,000	30,000	2,225,200	2,190,500
Confederation	756,458	1,848,875	18,812,975	17,257,039
Continental	....	....	60,500	57,500
Crown	28,000	....	452,720	441,810
Dominion	10,000	208,000	1,858,433	1,755,541
Dom. of Canada	....	....	212,828	248,250
Equitable	....	....	2,219,500	2,184,400
Great-West	251,500	104,500	17,220,036	18,148,763
Imperial	195,000	28,000	2,434,000	2,112,000
London	1,669,259	3,187,425	34,556,829	32,925,150
Manufacturers	86,000	614,970	6,357,462	6,236,863
Metropolitan	2,417,898	1,401,688	73,472,692	67,222,611
Montreal	150,873	226,425	3,570,052	3,605,392
Mutual of Canada	452,792	1,804,875	8,506,126	8,862,842
National	347,000	146,000	1,239,780	972,101
North American	850,000	31,765	3,146,715	2,174,450
Northern	97,500	345,500	1,730,650	1,544,750
Prud. of London	490,000	605,500	1,243,500	787,500
Prud. of America	559,000	241,000	13,311,269	11,963,462
Saskatchewan	....	....	110,000	108,000
Sauvegarde	....	....	502,350	472,200
Sun	5,188,150	4,556,310	183,231,017	177,794,912
Travelers	620,700	2,020,800	23,290,409	22,055,570
Total	17,903,993	19,931,463	509,268,511	482,629,875

Group Insurance Sold Abroad by Canadian Companies

	New Business (paid for basis) 1935	1934	Business in Force Dec. 31 1935	1934
	Net Amount $	$	Net Amount $	$
Canada	210,500	924,000	11,625,182	11,424,100
Confederation	74,460	763,299	1,177,230	1,092,394
Crown	....	....	16,500	20,500
Dominion	....	....	125,000	139,000
Great-West	350,000	17,988,110	17,728,175	19,080,390
Imperial	150,000	....	402,500	227,000
Manufacturers	352,182	192,000	2,134,349	1,773,972
Montreal	....	....	27,000	24,000
Sun	8,843,533	6,809,895	167,464,702	166,847,233
Total	9,980,675	26,678,304	200,710,638	200,628,619

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Liverpool Corn Trade Association

IMPROVING CONDITIONS

The Wheat Problem and International Trade

The Fortieth Annual General Meeting of the Liverpool Corn Trade Association, Limited, was held in the Annexe of the Holt Hall, Brunswick Street, Liverpool, on April 29th, 1936.

Mr. Richard N. Cornelius, president of the association, was in the chair.

The Secretary, Mr. F. W. G. Urquhart, W.S., read the notice calling the meeting and the auditors' report.

A dividend at the rate of 5 per cent., less income-tax, was declared on the subscribed capital, and a balance of £25,730 0s. 2d. was carried forward.

Wheat

The eighty-third annual report of the association was adopted. The following are extracts:—

The main feature of the year 1935-36 has been that crops were so distributed geographically as to hold the volume of international trade to a low level.

The estimated exports are about 528,000,000 bushels, and year-end stocks, as at August 1, 1936, are estimated at about 625,000,000, compared with 892,000,000 in 1935 and 606,000,000 average, in 1923-27, or available for export, 355,000,000, 580,000,000, and 250,000,000 bushels respectively. From the statistical point of view the position has improved in that the burden of stocks is not nearly so heavy now as it has been for some years past, but international trade continues to be profoundly and adversely influenced by nationalist measures.

The Liverpool Wheat "futures" quotations as at March 31, the end of the association's financial year, reflect the situation as follows:—

1936	Close
May (per cental)	6s. 1½d.
July	6s. 3⅛d.
October	6s. 2¾d.
1935	**Close**
May (per cental)	5s. 3⅛d.
July	5s. 5⅛d.
October	5s. 7⅛d.

After commenting at considerable length upon the wheat position in Canada and briefly upon the situation in the United States of America, the Argentine, and Australia, the report continues as follows:—

It will be observed from what has been said with regard to the three large exporting countries—Canada, the Argentine, and Australia—that no action has been taken by their respective Governments that is likely to induce farmers to lower production.

European Production

To turn to the Continent of Europe (*ex* Russia). The International Institute of Agriculture, Rome, in their February crop report put European wheat production for 1935 as at 1,551,000,000 bushels (*ex* Russia), but thought that the general tendency in Europe during recent years was to under-estimate crops. The peak was 1,748,000,000 in 1933, and the average of 1923-27 is given as 1,243,000,000.

Every country, or almost every country in Europe, whether nominally an importer or an exporter, subsidizes or protects growers by one method or another, with the result that France, Sweden, and Poland, among others, find themselves with surplus wheat which they seek to place on any market that will take it. Even Portugal joined the ranks of the exporters this year.

Owing to growing monetary instability and the tension which has prevailed following upon German rearmament and the Italian-Abyssinian War, the situation has not been relieved during the last 12 months. The economic results are chaotic and Europe is deluged with Government Order and Counter-Order, which appear almost daily. Notwithstanding 60 interventions of the Government in the wheat market in France since 1921, the French farmers are loud in expressions of discontent and a wave of agrarian unrest passed over the country in September last. Today the internal price of wheat is bolstered up by an import duty of no less than 80f. per 220 lb. in the cheapest foreign wheat worth about 50f., c.i.f. at French ports.

The Rome Institute publishes quarterly a summary of Government measures affecting the prices of cereals, but these decrees are so numerous and so conflicting that it is almost impossible to keep pace with them.

The net result of these activities is to lower the quality and to reduce the consumption of bread on the Continent.

The International Wheat Agreement

How many of the 21 Governments who were signatories to the 1933 Agreement still adhere to it is not known.

On May 27 last year it was announced, through the medium of the Press, that all the signatories had been recommended by the Advisory Committee to extend the operation of the Agreement for another year—that is, until July 31, 1936.

The Committee had, they said, reviewed the efforts which had repeatedly been made since November, 1933, to secure such readjustment of the operative clauses of the Agreement as appeared necessary to ensure its effective maintenance. It was recognized that in view of the failure of these efforts the operative clauses had in practice ceased to be fully applied, but, "Realizing the probability that world stocks will again increase to burdensome proportions, the Committee believes that in the best interests of all the signatory countries every effort should be made to seek agreement upon effective methods of international collaboration designed to solve the wheat crises."

On November 15th, by which date the Italian-Abyssinian war had commenced, it was announced that the next meeting of the Committee had been postponed, but might take place in January, 1936.

Wheat Consumption

On February 6th Broomhall reported that the committee might meet in the spring—perhaps in April. Apparently the two most important items on the agenda would be (1) to give, in the light of the present world wheat situation, further consideration to methods which could be adopted to prevent a re-accumulation of excessive surplus wheat stocks; (2) to give further consideration to the possibilities of increasing wheat consumption.

Possibly the latter item was suggested by the report of "Nutrition and Public Health," published by the League of Nations in July last, in which it was stated that no country in the world could claim that the whole of its population was satisfactorily fed and that pellagra and beri-beri, both diseases which the consumption of wheat would eliminate, continue to take thousands of lives every year.

It may be claimed by those who planned the agreement of 1933 that it gave support to the Government of the United States of America to put through schemes for acreage reduction in that country but the agreement did not persuade other countries to stand aside from the world's markets while the Canadian Government off-loaded the pools' accumulations on unwilling buyers. As to European Governments' signatories to it, some of them had little, if any, intention to buy wheat from North or South America or Australia, but were willing enough to see that by restrictions on trade or reductions in acreage in the four large exporting countries the price was raised against importing countries. Some of them—pre-eminently France—had a surplus of wheat (following upon various forms of subsidy, price-fixing, or high protection) intended for export, and hoped that the higher the price in the United Kingdom the lesser would be the loss falling upon their own taxpayers.

International Trade and Currency

The wheat problem is a part, and an important part, of the twin problems of international trade and currency and cannot be dissociated from them. The seller is in the market with his goods and to quote Stanford University, "the growers are still geared to produce more than world markets, hampered by complex restrictions, can absorb at prices that producers deem remunerative." The situation is clearly set out in the evidence which Mr. James Richardson, one of Canada's most experienced merchants, gave to the special committee in the House of Commons, Ottawa, on June 21st, 1935.

Speaking of his recent visit to Europe and with regard to Germany, Mr. Richardson said:—"We used to do a big business in Germany with barley a few years after the war. They were our best buyers. I went further to find out if they were going to buy wheat from us, and, if so, how they were going to pay for it. I was satisfied, after I had been there a few days, that they were not going to buy it at all, because there were famine prices and war-time conditions. There is no prospect of immediate business unless we can provide them with Canadian dollars, and that would have to be through the purchase of goods which we are not now buying from Germany."

What Mr. Richardson said about the state of matters in Germany is equally applicable to many other countries. The buyer must be able to sell his goods or service in exchange for his imports if international trade in grain is to revive.

Dangers of Economic Nationalism

Ever since 1929 leaders of trade, commerce, and finance throughout Western Europe and in America have, with increasing emphasis, drawn public attention to the dangers which follow upon the growth of economic nationalism, the decline of international trade, and increasing monetary instability. The economic war, which has been waged for the last six years with growing intensity, has brought about the deplorable conditions which prevail today and given rise to that state of unrest and anxiety which affects all Europe and the Far East. At the Paris Congress of the International Chamber of Commerce the conclusion reached was that the practical constructive policy for Governments to follow is to attack the problem in three stages—an agreement for provisional stabilization; a period of negotiations for the reduction of trade barriers and an adjustment of their commercial policies to ensure the safe functioning of an international gold standard over a long period; and, finally, the definitive restoration of an international monetary standard. It is sincerely hoped that these suggestions will engage the attention of Government at an early date.

The following were elected directors of the association to serve for three years from April 29, 1936:—Messrs. John Beavan, E.A.G. Caroe, Walter Greenwood, William Hodson, Henry Luton, T.N. Osborne.

Messrs. Harmood, Banner and Son, C.A., were re-elected auditors.

Mr. William Robert Nielson, of the firm of Whitson, Nielson and Francis, Liverpool and London, at a subsequent meeting of the directors, was elected president of the association for the year 1936-37.

Week in Wheat

PRECIPITATION in the grain areas of western Canada has been a good deal lighter this spring than a year ago. For Manitoba and Saskatchewan, April witnessed only about one-third the rain fall of 1935, according to Sanford-Evans Statistical Service. Alberta was not a great deal better.

But as the weather during April was cold and unfit for seeding, the absence of moisture was of less concern than had the seed been in the ground. Moisture from now on, however, with seeding nearing completion, is important. It is significant that recently the rainfall has been more generous. Immediate soil conditions are generally described as satisfactory and especially in those former dry sections of the Prairies. Incidentally it is from these sections that the bulk of the highest quality wheat has been produced in the past.

• • •

Dry Australia

SEEDING in Australia has been delayed by lack of rain. Should this condition be continued it might result in a decline of acreage from the reduced figures of last year. But apparently no great alarm is felt as yet, and there is plenty of time for Australian seeding to be accomplished. Farmers there, however, appear to be fairly strong holders of their remaining supplies of wheat, a condition always influenced to some extent by their expectations regarding the coming crop.

That lack of pressure is responsible in part for the fact that Australian wheat is now selling in Great Britain at a premium over Canadian. In spite of the fact that Oriental demand has been disappointing, Australian supplies have been reduced by the substantial sales made early in the year to Great Britain and to the continent. Quantities left are not considered large enough to constitute any great problem in marketing during the remaining months of the calendar year before another crop is harvested.

Killing of winter wheat throughout the eastern part of Canada and the United States has been much less than usual this year. In Ontario, where the bulk of the Canadian crop of approximately 25 millions of bushels is produced, only 8 per cent winter killing is reported, compared with a normal of about 12 per cent.

Famous Corner in Oats May Be Aired in Courts

From Our Own Correspondent

REGINA.—Some $300,000, according to latest reports, is the amount of loss in dispute between the Saskatchewan Government and Canadian Co-operative Producers, the Wheat Pool Central Selling Agency. The full story of the transactions has not been published, but it seems inevitable that it should be. The Saskatchewan Government has retained counsel to prepare a defense against claims made on it in this connection.

The story is mixed up with the corner in oats, or near corner, which developed on the Winnipeg market last July. But according to statements made on its behalf, the Saskatchewan Government had no intention of either undertaking or authorizing market manipulation.

Bought 5 Million

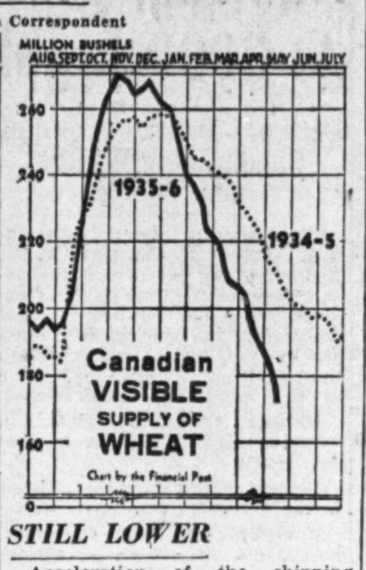
Some 5 million bushels of May oats had been bought last year for account of the Saskatchewan Government by the Wheat Pool organization, as a hedge against oats to be bought in the country for seed and feed. These were to be distributed through government agencies. Some of these May oats were disposed of as cash purchases were made in the country. It is believed the government claim is that instructions were given to have all its commitments in futures contracts cleaned up.

But about two million bushels of futures contracts were carried into July, and to a large extent at least, oats at Fort William and Port Arthur were delivered on the contract. For oats in that position, of course, the Saskatchewan Government had no conceivable use. Oats that should have been left in the province were scraped up by various interests which were squeezed by the tight situation in the July contract. Even mills had to send forward oats that had been intended for milling, and Saskatchewan's requirements for oatmeal were for a time filled with a product manufactured in Ontario.

Government Denial

The Saskatchewan Government not only denies any attempt to run a corner on oats in the Winnipeg market, but also repudiates responsibility for the loss incurred in the transaction. If it succeeds in maintaining this position, the Dominion Government might have to pay, for it guaranteed the banks against losses on loans made to finance the original purchase of oats futures. It seems probable that an action at law may be necessary before the matter is cleared up, unless it is investigated by the proposed Royal Commission.

Official reports indicate a slightly larger wheat acreage in western Canada this year, with satisfactory soil conditions. Seeding, while started late, is now being carried out fairly rapidly.



STILL LOWER

Acceleration of the shipping movement by water and increased demand from U. S. buyers are credited as the basic reasons for a further substantial decrease in Canadian visible wheat supplies in the week ended May 8.

The drop from more than 200 million bushels to 177,442,000 bushels further strengthens the belief in grain circles that the wheat board may exceed its reported objective of reducing the carryover to not more than 125 million bushels in the next twelve weeks, or the beginning of the new crop year on August 1.

U. S. imports accounted for much of the outgoing movement from Canada. Export clearances rose sharply from 4,494,664 bushels to a total of 7,608,261 bushels for the week.

Details of the visible situation and exports follow:

Week of May 8	Week Previous	Last Year
Canadian Visible		
177.442,000	200,349,000	211,280,000
Export Clearances*		
7,608.261	4,494,664	3,384,883

*Plus U. S. imports.

April Sees Flour Gains

Both Volume and Price Per Bbl. Higher Than Year Ago

While showing a big drop from the previous month, Canadian flour exports in April were slightly better than a year ago. Total for the nine months of the current crop year to date amounts to well over 6.5 million barrels. This is a lead of more than 100,000 barrels over the corresponding period in 1935.

With values ruling exactly 25 cents per barrel higher than in April a year ago total value of export was very appreciably better, amounting to $1,137,403 as against $1,051,320.

Details as provided by the Dominion Bureau of Statistics are as follows:

Wheat Flour Exports

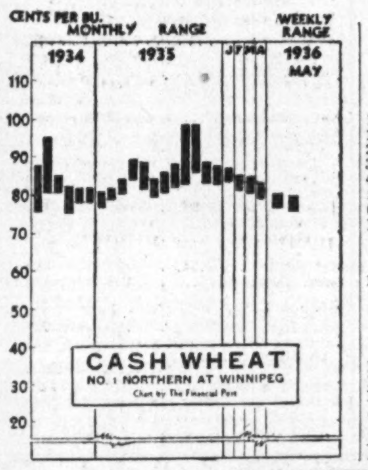
	1935-36 Aver. Price $	1935-36 (bbls.)	1934-35 (bbls.)	1934-35 Aver. Price $
Aug.	3.73	376,562	412,089	3.81
Sept.	3.76	395,640	369,320	3.93
Oct.	4.01	501,442	485,549	3.96
Nov.	4.22	525,368	504,384	3.93
Dec.	4.21	443,828	340,751	3.81
Jan.	4.17	314,311	346,099	3.80
Feb.	4.20	340,102	309,729	3.77
Mar.	4.18	476,773	497,468	3.75
Apr.	4.04	281,162	276,907	3.79
Total ...		3,655,148	3,542,294	
12 mos. end. Apr.:	4.00	4,863,202	4,873,113	3.75

Wheat Exports Up

Wheat exports in April reflected the increased selling of Canadian grain in recent months. They amounted to over 6.5 million bushels at over $5 millions as compared with 5 million bushels valued at $4.3 millions for April, 1935. Average prices per bushel, however, were down from 85 cents a year ago to 77 cents.

Heavy rains in the winter wheat area of United States have improved the situation, though too late to help those areas stricken by drought very early in the season.

Wheat Prices



(Cash Quotations)
For Week

At Winnipeg:	May 12 High $	May 12 Low $	Prev. Week High $	Prev. Week Low $
1 Man. Hard ...	.79⅞	.78¼	.81⅜	.79⅝
1 Northern	.78⅛	.76½	.79⅞	.77⅞
2 Northern	.76⅛	.74½	.77⅞	.75⅞
3 Northern	.72½	.70⅞	.74¼	.72¼
4 Northern	.68¾	.68¾	.70½	.68½
5 Wheat	.62⅝	.60¾	.64⅜	.62⅜
6 Wheat	.52⅜	.50½	.53⅞	.51⅞
Feed Wheat	.43⅛	.41½	.44⅞	.42⅞
Vancouver: Week to May 8:				
1 Northern	.77	.74⅞	.79⅛	.77

Competitive Export Prices:
(May) shipment.

	High Week to May 8	Low Week to May 8
No. 1 North. (Vanc.)	0.94¾	0.93⅛
No. 2 North. (Atlan.)	0.91¼	0.90⅛
No. 2 North. (Vanc.)	0.92¾	0.91¼
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.95⅜	0.94
Australian	0.96⅛	0.94¾

Winnipeg Grain Futures

Week to May 12, 1936

Crop year from Aug. 1, 1935 High	Low		Open May 6	High for week	Low for week	Close May 12
		Wheat				
1.02¼	.76	May	.78⅛	.78⅜	.76	.77
.92⅞	.76⅝	July	.79⅛	.79⅜	.76⅝	.77⅜
.89	.78⅛	Oct.	.80¼	.80⅝	.78⅛	.78⅝
		Oats				
.35⅜	.29⅝	May	.31½	.31⅝	.30¾	.31
.33⅜	.30	July	.31⅜	.31⅝	.30⅞	.31
.31⅞	.29⅞	Oct.	.30⅝	.30⅝	.29⅞	.30⅛
		Barley				
.42½	.34⅝	May	.37¾	.38	.36⅜	.36⅞
.40¼	.35⅝	July	.37⅝	.38⅛	.36⅜	.38⅝
.40¼	.36¼	Oct.	.....	.38½	.36⅝	.36¾
		Flax				
1.65	1.33	May	1.45	1.45⅞	1.44¼	1.45¼
1.63	1.40¼	July	1.44	1.46	1.43¾	1.44¼
1.47⅝	1.40	Oct.	1.41	1.42	1.40	1.40¾
		Rye				
.51⅞	.38	May	.40⅝	.41	.40¼	.40⅞
.48½	.39⅛	July	.41⅝	.42½	.41⅛	.41¾
.49	.41⅛	Oct.	.43¼	.44¼	.42¾	.43½

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 292

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1936.

By Order of the Board
W. A. BOG, General Manager — JACKSON DODDS, General Manager
Montreal, 21st April, 1936.

The Canadian Bank of Commerce

Dividend No. 197

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1936, and that the same will be payable at the Bank and its Branches on and after Monday, 1st June next, to shareholders of record at the close of business on the 30th April, 1936. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 17th April, 1936.

The Royal Bank of Canada

DIVIDEND NO. 195

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the first day of June next, to shareholders of record at the close of business on the 30th day of April, 1936.

By order of the Board.
S. G. DOBSON,
General Manager
Montreal, Que., April 14, 1936.

SYLVANITE GOLD MINES, LIMITED

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

Notice of Dividend No. 18

Notice is hereby given that a regular quarterly Dividend of Five per cent (5%) (representing five cents per share) on the outstanding Capital Stock of the Company, payable in United States funds, has been declared.

Such Dividend will be payable June 30th, 1936, to Shareholders of record at the close of business May 23rd, 1936.

In the case of Share Warrants such Dividend will be payable on or after June 30th, 1936, in respect to the shares specified therein, upon presentation and delivery of coupon No. 18 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (Yukon Territory excepted) at the Bank's current buying rate for United States funds on the date the coupon is cashed, without deduction for collection charges; or, Liberty Bank of Buffalo, Buffalo, N.Y.

The Canadian Five per cent (5%) tax will be deducted from Dividends paid to non-residents.

By order of the Board.
W. S. WALTON,
Secretary.

The Corrugated Paper Box Company, Limited

Preferred Stock Dividend No. 13

Notice is hereby given that a dividend of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of June, 1936, to shareholders of record at the close of business on the 16th day of May, 1936.

Dated the 12th day of May, 1936.
J. A. WHEALY,
Secretary.

IMPERIAL OIL LIMITED

DIVIDEND

Notice to Shareholders and the Holders of Share Warrants

Notice is hereby given that a semi-annual dividend of twenty-five cents (25c) per share and a special disbursement of thirty-seven and one-half cents (37½c) per share, both in Canadian currency, have been declared and that the same will be payable on or after the 1st day of June, 1936, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 45 to any Branch of:

THE ROYAL BANK OF CANADA, in Canada.

The payment to Shareholders of record at the close of business on the 15th day of May, 1936, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque mailed from the offices of the Company on or before the 30th day of May, 1936.

The transfer books will be closed from the 16th day of May to the 30th day of May, 1936, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income War Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Stockholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal income tax return. If it is desired to claim such credit on the return the United States tax authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. In order for the taxpayer to secure such proof from the Canadian Commissioner it is necessary for the United States stockholder to submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Only in this way can the Canadian Commissioner identify the withheld Canadian tax with the specific recipient of the dividend in order to furnish the necessary individual receipt. If Forms No. 601 are not available at local United States banks, they can be secured by requesting the same from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

By Order of the Board.
F. E. HOLBROOK,
Secretary.
56 Church Street, Toronto, Ontario.

DIVIDEND NOTICES

Borden's

COMMON DIVIDEND No. 105

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1936, to stockholders of record at the close of business May 15, 1936. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 75c per share and a special disbursement of 50c per share, both in Canadian Currency, have been declared, and that the same will be payable on or after the 1st day of June, 1936, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 45 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 22nd day of May, 1936, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 29th day of May, 1936.

The transfer books will be closed from the 23rd day of May to the 1st day of June, 1936, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada, the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the 5% tax and return one Certificate to the Shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

By Order of the Board,
J. R. CLARKE,
Secretary.
56 Church Street, Toronto 2, Canada.
12th May, 1936.

The Bank of Toronto

Dividend No. 219

Notice is hereby given that a **Dividend of Two and One-Half** per cent upon the paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the first day of June next, to shareholders of record on May fifteenth, 1936.

By Order of the Board.
H. B. HENWOOD,
General Manager.
Toronto, April 15th, 1936.

The Bank of Nova Scotia

Dividend No. 266

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of June 15th, and that the same will be payable on and after Thursday, the second day of July next, at any of the offices of the Bank in Canada.

By order of the Board.
H. F. PATTERSON,
General Manager.
Halifax, N.S., May 12th, 1936.

ANGLO-HURONIAN LIMITED

DIVIDEND NO. 3

NOTICE IS HEREBY GIVEN that a dividend of Twenty (20c.) cents per share, in Canadian funds, on the issued Capital Stock of the Company, has been declared payable June 12th, 1936, to shareholders of record at the close of business May 30th, 1936.

By Order of the Board,
J. INGRAM,
Secretary-Treasurer.
Toronto, May 8th, 1936.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 34

NOTICE is hereby given that a dividend for the quarter ending May 31st, 1936, at the rate of 6½% per annum, will be paid on June 15th, 1936, to all preference shareholders at record at the close of business on May 31st, 1936.

By order of the Board,
A. W. GIBB, Secretary.
Winnipeg, April 15th, 1936.

GRAIN MERCHANTS *In World Trade*

Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,300,000 bushels)
Over 200 Elevators in Western Canada

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WINNIPEG REGINA · MONTREAL MOOSE JAW · VANCOUVER SASKATOON · TORONTO CALGARY · KINGSTON EDMONTON

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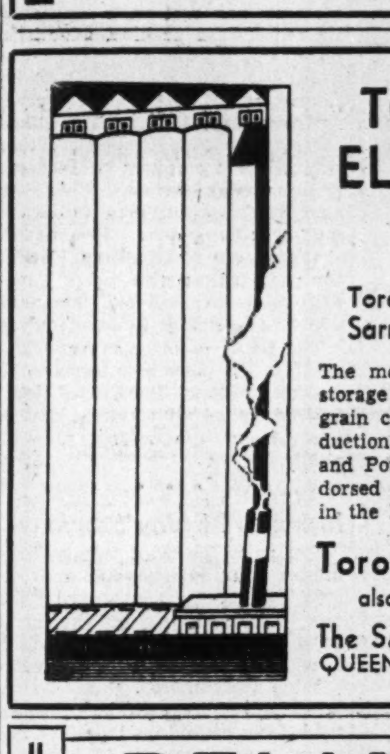
Own and Operate
One Terminal Elevator in Winnipeg
Two Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.



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Capacity:
Toronto, 4 Million Bushels
Sarnia, 3 Million Bushels
The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of Master feeds for Livestock and Poultry. "Master" feeds are endorsed and recommended by leaders in the livestock industry of Canada.
Toronto Elevators Ltd.
also Owning and Operating
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QUEEN'S QUAY TORONTO

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Owners and Operators Country Elevators and Terminals
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101 COAL SHEDS
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GRAND TRUNK PACIFIC ELEVATOR CO.
LIMITED
LOCATED AT FORT WILLIAM ON C.N.R. & C.P.R. ELEVATOR ABSOLUTELY FIREPROOF THROUGHOUT. OPERATED BY ELECTRICITY — CAPACITY 5,750,000 BUS.
Frederick B. Wells, President — J. E. Dudley, Vice-Pres. and Gen. Mgr.

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Best for All Your Baking
Milled by Western Canada Flour Mills Co., Limited.
Head Office, Toronto; Branches from Coast to Coast. Mills at: Goderich, Winnipeg, Brandon, Calgary and Victoria.
Other Leading Products: Purity Rolled Oats; Purity Salt; Hovis Flour; Pioneer Poultry Foods.

The Week in Mining

Junior Issues Becloud Real News From Seniors

Noranda, International Nickel and Macassa Turn in Significant Reports

While junior gold stocks, fed by sensational developments at various properties and in various areas, continued to monopolize most of the market activity in the past few days, the established producers, more or less neglected by the general public, were turning in earnings reports which would ordinarily place them in the forefront of market activity.

Three reports of paramount interest recently released are those of Noranda, Macassa and International Nickel Co. All three of these companies have reported conditions and earnings the significance of which is apt to be overlooked in the general flurry among junior and secondary golds.

Inco's New Record

International Nickel Co., as reported in the news columns of this issue, earned the highest per share rate in the company's history in the first quarter of 1935.

This record was fairly widely forecast, after the company reported earnings for the last quarter of 1935 at 51 cents per share after preferred dividends.

International Nickel stock has always been more or less unpredictable. In February this year, the market sent nickel shares up to as high as $54 per share. At that time, The Financial Post pointed out that there was, at this price, little relationship with earnings or potential earnings. Since then, the stock has eased off, and early this month reached a low for the year of $43.

With dividends in the current quarter of 30 cents per share, and in view of the substantial increase in earnings, much of the doubt expressed when Inco was selling at over $50 per share appears to have been rendered null and void, at current prices.

Noranda Earnings Strong

Noranda also shows a strong earnings position in the first quarter of the year, in which time earnings per share of about 87 cents, as compared with 56 cents per share in the 1935 first quarter, are reported.

This is indicative of the tremendous effect which a small rise in copper prices can have on Canadian producers that Noranda, in the 1936 quarter, produced only 16,297,127 pounds of anodes, as compared with 20,988,215 pounds in the 1935 quarter, yet managed to chalk up such a substantial gain in earnings.

A reduction in mining, general and administrative expenses was more than offset by an increase in provision for taxes.

If Noranda maintains the earnings for 1936 indicated in the first quarter, earnings per share for the year would be in the neighborhood of $3.50, against the $2.63 per share earned in 1935. This is assuming that copper prices do not increase, an assumption which would be dangerous under the present bullish copper sentiment.

Macassa at Depth

While Macassa Mines, Kirkland Lake producer, has nothing startling in the way of increased net profit to show in its annual report for the fiscal year ended March 31, 1936, the ore situation on the 3,000 ft., or bottom level appears distinctly encouraging.

It will be noted from the report carried in another column that Macassa has materially improved its ore reserve position, a position which six or seven months ago was causing considerable concern in informed circles. After all, reserves sufficient to last the mill less than a year and a half appear rather skimpy for a producer of Macassa's calibre. Today Macassa has reserves, actually proved sufficient to last the mill over two years. In addition, indicated ore is promising. Under the peculiarities with which Canadian mines are saddled, this must appear satisfactory to shareholders.

The result of Macassa's development on the three new levels to be opened up below the 3,000-ft. level will be waited with a great deal of interest by the mining minded public.

Index to Mining Stocks

The price index of twenty-three mining issues registered an appreciable gain of 4.4 points during the week of April 30, placing the index at 148.5, the maximum since March 5. This index was 130.0 for the comparable week in 1935.

Revival of strength in prices of gold stocks caused the index for this group to advance from 123.3 for the week of April 30 to 127.4 for the week of May 7. The index for the corresponding week last year was 124.5.

Prices in the base metals with the exception of Falconbridge were substantially higher. The index was 235.9 for the week of May 7 as compared with 230.1 for the preceding week and 155.6 for the week ending May 9, 1935.

Will Wind Up McMillan Gold

Shareholders Approve Move After Engineers' Report

From Our Own Correspondent

SUDBURY.—Shareholders of McMillan Gold Mines, meeting here recently, decided unanimously to permanently suspend all mining and milling operations at the company's property in the West River area, authorized the new board of directors to dispose of the assets of the company to the best advantage and distribute the proceeds among the shareholders, and wind up the incorporation.

This decision was made after hearing reports from Geo. M. Miller, president; G. C. Dunn, mine manager, and the results of two general surveys of the situation made by W. E. Segsworth, M.E., of Toronto.

The new board, to whom were delegated the powers to close up the company's affairs, consists of G. A. Foot, Dr. F. C. Fraser, Geo. M. Miller and Dr. S. S. Polack, of Sudbury, and C. G. Goldsborough of New York.

Mr. Segsworth, in his report, frankly told the shareholders that he saw no hope of achieving any success in the opening up of commercial ore bodies at depth, and after reviewing the results of the exploratory efforts at and below the 875-ft. level stated: "I must regretfully advise you to cease operations." He paid tribute to the efficiency of the management.

McMillan has its milling and mining plant and equipment free of any encumbrance, and is able with funds on hand to pay its small outstanding indebtedness and have a cash balance in hand of approximately $1,500.

New York Finances In Anglo Huronian

In addition to an unstated but "substantial" block purchased from present shareholders, the Lehman Corp. and Lehman Bros. of New York have purchased 50,000 shares of treasury stock in Anglo-Huronian Ltd. at $5 per share, and have been granted an option for a period of one year on 150,000 shares of treasury stock at $5 per share, The Financial Post is informed.

John B. Huffard, representing the Lehman Corp., and Dorsay Richardson, representing Lehman Bros., have joined the board of Anglo-Huronian, and it is proposed that another representative of the Lehman interests shall join after the next annual meeting of shareholders. The present English directors who represent a large body of English shareholders remain on the board.

The company's business of developing and financing mines and the investment of surplus funds in Canada, the United States and the British Empire will continue on the same lines, J. Ingram, secretary of Anglo-Huronian, states.

Hope to Triple Chrome Output

Expectations that the concentrator capacity of Chromium Mining & Smelting Corp., operating a large chromium deposit at Obonga Lake, west of Lake Nipigon, Ont., will be increased during the current year to 300 tons per day are held by officials.

At the present time, smelting capacity is sufficient to handle up to 90 tons per day of concentrates. The concentrator at the mine has an initial capacity of 100 tons per day.

It has been estimated, semi-officially, that on a daily production basis of 90 tons of concentrates, an annual net profit of $1.4 million could be made.

Fairview Mines Change Capital

Shareholders to Vote on Consolidation of Two Firms

Plans for capital re-organization of Fairview Amalgamated Gold Mines, with property at Oliver, B.C., are contained in notices currently being forwarded to shareholders.

Fairview Amalgamated at present has an authorized capital of 3 million shares no par value of which there is issued 1,955,505 shares. The capital, under the new plan, is to be reduced to 1,250,000 shares and Fairview Amalgamated shareholders will receive approximately 5 new shares for each 8 shares now owned. The capital will then be increased to about 4.4 million common shares no par value, and 100,000 shares seven per cent preference, par value $1. There will be issued to Morning Star (Fairview) Gold Mines Ltd. 1,125,000 common shares for its property. When this issuance has been made, Fairview Amalgamated will then have issued and outstanding 2,375,000 new shares.

Medco Ltd., which financed the Morning Star mill, have agreed to cancel the mortgage now held by them on the mill amounting to $33,500, and will accept for such cancellation 33,500 "units" consisting of one share 7 per cent preference and 2 shares of common. Medco have also subscribed for 10,000 units at 90 cents per unit.

Units Explained

The re-organized Fairview Amalgamated will start operations on the combined properties with allequipment.

Shareholders of Morning Star at a meeting called for May 20 will vote on whether the company should continue

In the meantime, shareholders of Fairview Amalgamated and Morning Star are being offered rights to subscribe to $56,500 of the preferred shares offered in the form of units consisting of one preferred and two common at 90 cents a unit.

Minto's April Net $20,328 ere Tax

Gross revenue of $42,457 was obtained by Minto Gold Mines, B.C. producer, in April, The Financial Post is informed. Before mineral tax, a net profit of $20,328 is reported from 1,648 tons of concentrates and 121 tons of ore.

Inco Earnings In 1st Quarter Best in History

Net Profit of 57 Cents Per Share Reported

COMPARE WITH 30

Highest quarterly earnings per share in the company's history are reported by International Nickel Co. for the three months period ended March 31, 1936.

Earnings per share of 57 cents in the period compare with earnings per share of 30 cents for the first quarter of 1935.

At the same time, working capital position has increased in three months from $50,488,934 as at Dec. 31, 1935, to $55,141,922 as at March 31, 1936.

Provision for taxes increased sharply in the quarter, as will be seen in the financial statement below.

While preferred dividends remained constant, the company paid on its common stock, dividends of 25 cents per share in the three month period under review, which constitutes another record.

Robert C. Stanley, president, in issuing the financial statement to shareholders, points out that a study of world consumption figures of six of the leading non-ferrous metals shows that nickel is the only metal showing, in 1935, a wider use by world industry.

Following is a comparison of quarterly earnings for the first period of 1936 compared with that for the first quarter of 1935:

Income and Surplus Account
Three Months Ended March 31

	1936 $	1935 $
Earns. from oper. ...	11,901,862	7,609,375
Less: Admin. & gen. expen.	445,464	357,243
Prov. for taxes	1,498,314	939,710
Net oper. profit	9,958,084	6,312,422
Add: Other income ..	70,439	64,902
	10,028,523	6,377,324
Less: Depr., depl., etc.	1,641,735	1,388,078
Int. paid & accrued	......	71,619
Net profit	8,386,788	4,917,627
Less: appropriations:		
Pref. dividends	483,475	483,475
Common dividends .	3,644,542	2,186,725
Profit for quarter	4,258,771	2,247,427
Add: Prev. surplus ...	44,094,494	30,990,016
Balance forward	48,353,265	33,237,443
Common share earnings:		
Earned	$0.57	$0.30
Paid	$0.25	$0.15

Macassa's Ore Now Improved At 3000 Level

Bottom Depth Supplies Encouraging Widths and Values

Of paramount interest in the annual report of Macassa Mines, Kirkland Lake producer is the development on the 3,000 ft. or bottom level, which has resulted in more satisfactory ore reserve conditions, and has supplied the company with the best lengths, widths, and grade of ore of any level so far developed.

Macassa is currently sinking a winze at this level to open up three new levels.

General mining costs were higher in the previous year.

Unbroken ore, fully developed; broken ore and ore on the surface dump totalled 142,347 tons averaging about $16.60 per ton. This tonnage would be sufficient, on the 1935 scale of production, to supply the mill for slightly over two years. In addition to the fully developed ore, there are lengths and widths of lower grade ore throughout the mine, and also indicated ore of better grade which as yet is not fully developed.

During the year the mill treated 69,455 tons, from which bullion having a gross value of $1,140,470 was obtained. This works out to an average per day of 189 tons and a recovery per ton of $16.42. Average recovery per ton in 1934 was $15.91.

If investments are included at cost, the company's current assets as at March 31, 1936, totalled $622,669. Investments, shown at $229,172 include 1,200 shares of Lake Shore Mines, 20,000 shares Wright-Hargreaves, and township of Teck hospital debentures totalling $1,740.

Current liabilities amounted to $105,319. Of an authorized capitalization of 3 million shares no par value, 2,678,068 have been issued.

Income and surplus accounts for the fiscal years ended March 31, 1934 and 1935 follow:

Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Bullion production ...	1,140,470	1,058,958
Less: Oper. expenses	540,543	495,863
Net oper. earns.	599,927	563,095
Add: Sundry revenue	1,680	3,851
Divid. & int.	17,293	6,912
Net earnings	618,900	573,858
Less: Depreciation ...	72,275	66,460
Reserve for taxes ..	59,882	45,161
Prelim. dev. & explor. w/o	69,456	66,534
Net profit	417,287	395,703
Less: Dividends	399,210	262,807
Surplus for year	18,077	132,896
Add: Prev. surplus ...	273,826	158,002
Less: Addit. tax prov.	......	17,072
Outside explor. w/o	11,833	......
Surplus forward	280,070	273,826
Earnings per Share and Dividend Record:		
Earned	$0.16	$0.15
Paid	0.15	0.10

Mining Reports

Gunnar Gold Mines

With working capital of $90,017, and ore reserves of about 100,000, proved and indicated, Gunnar Gold Mines, in its annual report for the year ended Dec. 31, 1935, reflects a strong pre-production position. The mill on this Manitoba property started production a few weeks ago, with an initial capacity of 125 to 150 tons per day.

The proved ore, amounting to 83,800 tons, has a gold content of $14.64, and the indicated ore, as far as can be determined, has a similar grade, G. A. LaBine, president, states.

The main shaft has been deepened to the 1,000-ft. level, and stations have been cut at the 875 and 1,000-ft. levels. At the 1,000-ft. level a new vein has been encountered showing encouraging results, but the value of the new discovery has not been determined.

The development account shows $143,139 as having been spent on development during the year. Surface and general camp expenses totalled $7,812 and administration $9,785.

Current accounts as at Dec. 31 include cash, $85,905; accounts receivable $1,417 and supplies $15,882. Current liabilities are confined to accounts payable of $13,188. Of an authorized capitalization of 3 million shares, $1 par value, 2,564,131 have been issued.

Pickle Crow Gold Mines

In the eleven month period between May 1, 1935, and March 31, 1936, net profits of 21 cents per share were made by Pickle Crow Gold Mines, young producer in the Patricia area of Ontario, the annual report for the company, together with a supplementary statement for the first three months of this year indicates.

In the 8 months during which the mill was in production in 1935, a net profit of $415,962 was made. The noteworthy increase in recovery is indicated by the fact that while in the 1935 period recovery averaged $25.41 per ton, in the the first three months of 1936 average recovery was $28.07.

Over all operating costs, including development, have been estimated by A. G. Hattie general manager, to average $8.07 per ton milled. Actual milling costs averaged $2.09.

Broken ore reserves were built up in the first three months of the year and on March 31 stood at 14,661 tons.

Plans for the future include sinking the shaft another three levels, and doubling the capacity of the mill early next year. The cost of this increase in mill capacity has been estimated at not more than $130,000.

Interim Dividends

As to dividends, J. E. Hammell, president, said the company intends to pay interim dividends for the time being, of at least five cents per share quarterly, and as soon as possible, place the company on a regular dividend paying basis.

Current assets at the end of 1935 amounted to $296,705, including cash of $168,969. Current liabilities totalled $116,115, leaving a working capital of $180,590, as compared with an excess of current liabilities over current assets of $39,163 at the end of 1934.

The income and surplus account for the 8 months operations in 1935 follows:

Income and Surplus Account
Year Ended Dec. 31, 1935

	$
Proceeds from bullion	874,089
Less: Shipping, market., insce..	12,589
	861,490
Less operating expenses:	
Development	72,314
Mining	105,823
Milling	76,531
Gen. mine expenses	28,931
Exec. office expenses	17,708
Prov. for taxes	61,083
Net earnings	499,100
Add: Sundry revenue	410
Total earnings	499,510
Less: Depreciation	34,137
Amounts written off:	
Power contract exp.	5,583
Marine rly. construc. exp...	3,333
Def. devel. & pre-oper. exps.	36,200
Prelim. & incorp. expense..	1,725
Int. on notes and loans	2,570
Net profit	415,962
Earnings per Share	$0.14

In the interim report covering operations for the three months ended March 31, 1936, income and surplus is as follows:

Quarterly Earnings
3 mos. ended March 31, 1936

	$
Production	394,618
Less: Development	29,894
Mining & ore sorting	46,463
Milling	25,619
Camp & admin. exp.	16,730
Toronto office exp.	4,708
Reserve for taxes	29,246
Net oper. profit	241,958
Less: Depreciation, bldgs...	4,666
Deprec., equipment	8,456
Deprec., marine rly.	1,250
Deferred power costs w/o	2,250
Pre-oper. devel. w/o	14,057
Net profit	211,279
Less: Dividend	150,000
Surplus for period	61,279
Earns. per Share and Divd. Record:	
Earned	$0.07
Paid	0.05

Acme Gas & Oil

Falling off of revenue from, and increased cost of operating the company's Oklahoma City well resulted in a sharp drop in the net income of Acme Gas & Oil Co., in 1935, the annual report reveals. Dividends continued to be paid largely from surplus.

From $104,636 in 1934, net income dropped to $59,046 in 1935. In addition to the increased operating cost at the Oklahoma well, which it was necessary to equip with a pump costing in excess of $15,000, other expenses were higher, the financial statement show.

A. B. Stodart, elected president to fill the place of the late W. R. P. Parker, reports that the allowable production set by the state of Texas fell from about 30 barrels a day in January, 1935, to an average of about 23 barrels in December last. While two additional wells were brought into production in this field, 1935 revenue from East Texas remained practically the same as in 1934.

Production now obtains a higher price for both Texas and Oklahoma oil. The company now owns a two-thirds interest and operates 6 oil wells on its 20½ acre lease in East Texas, all on natural flow. It is proposed to drill further wells on this lease, if and when permits are granted. Acme also holds a one-quarter interest in oil runs from a producing well on the adjacent lease of Lone Pine Oil Co.

Production from the company's natural gas wells in Ontario amounted to 22,101 M. cubic feet, valued at $5,406.

Current assets as at Dec. 31, 1935, amounted to $111,312, against current liabilities of $11,403, leaving a working capital of $100,269 compared with $118,240 the previous year.

Surplus account for 1935 and 1934 follows:

Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross income	102,414	
Less: Expenses	43,368	
Net operating income	59,046	104,636
Less: Res. for taxes ..	10,000	7,500
Res. for deprec. & depl.	30,000	50,000
Res. for investments	......	15,063
Net profit	19,046	32,073
Less: Dividends	40,315	80,629
Deficit for year	21,269	48,556
Less: Prev. surplus ..	28,904	77,460
Apprec. in invests..	4,479	......
Add: Tax. paid re 1934	3,364	......
Balance forward	8,750	28,904
Earns. per Share & Divd. Record:		
Earned	$0.0094	$0.0159
Paid	0.02	0.04
Shares Outstand. as at Dec. 31:		
Com., no par value	2,015,732	2,015,732

At the Mines

Argosy Gold Mines—Reports that the option to purchase 900,000 shares at 20 cents per share and 333,333 shares at 30 cents per share by November 16, 1936, has been fully exercised. No further treasury shares are under option.

* * *

Canadian Minerals Ltd.—Has optioned a group near Morton Lake, north of The Pas, according to Oliver Dickson staker of the property. Sufficient funds are being advanced to provide for a drilling programme of about 2,000 ft. The property shows high copper values with some gold and silver. The break, about ten-ft. in width has been traced for 400 ft. and dips into muskeg at both ends.

* * *

Canadian Slate Products Ltd.—Has appointed George A. Gillespie to the board of directors. At the same time, the office of secretary and treasurer has been combined with R. A. Leaker appointed to this office. Tenders are now being called for the erection of a process building on the company's property at Madoc, Ont. Some 20 men are being employed in quarry operations at the present time.

* * *

Consolidated Mining and Smelting Co.—Advises shareholders that fractional shares of the old $25 par value stock are exchangeable for the new shares at $5 par value only at the office of the company, 215 St. James St. W., Montreal. Full shares are exchangeable at the office of the transfer agent.

* * *

Gold Belt Mining Co.—Reports an additional 50,000 shares at 20 cents per share taken up during April under the underwriting and option agreement dated April 1, 1935. This completes the payment up to May 1, 1937, the installments provided for the next twelve months having been made in advance.

* * *

Lava Cap Gold Mines—This recently listed Delaware company reports that by agreement dated April 21, 1936, the company sold 125,000 treasury shares at $1 per share, payable $20,000 on May 21, $30,000 July 30, and $70,000 on November 7, with ten days grace on all payments except the initial installment.

* * *

Pantepec Oil—Reports that by agreement dated February 29, and approved by the executive committee, an option has been granted on 10,000 shares at $5 per share until December 31, and on 5,000 shares at $8 per share until February 28, 1937.

* * *

Roche Long Lac—By agreement dated May 7, 1936, 100,000 shares were sold at 22 cents per share, and an option was given to purchase 100,000 shares by June 8, 1936, at 25 cents per share, The Financial Post is advised.

* * *

South Timblemont Mines — Announce that the installment provided for April 30 under option agreement December 30, 1935, has not been made. The option has been terminated for default.

* * *

Wayside Consolidated—On April 27 the company sold 100,000 shares of treasury stock at 12 cents per share less one-half cent commission, The Toronto Stock Exchange is advised.

Quebec Gold Gives Rights in Pamour

Stock Now Held in Quebec Gold's Treasury

Directors of Quebec Gold Mining Corp. have informed shareholders that holders of stocks as at the close of business May 23 will be given rights to purchase certain of the shares of Pamour Porcupine Mines, owned by the company, at 75 cents per share. Shareholders will have the right to purchase the shares on the basis of three Pamour Porcupine for each 20 shares of Quebec Gold Mining Corp. held.

After May 23, each registered holder of shares in Quebec Gold Mining Corp. will receive a share purchase warrant, showing the number of full shares of Pamour Porcupine Mines which he is entitled to purchase, together with fractional warrants in denominations of a 20th of a share for fractional rights, if any. A form of assignment of rights will also be included in case the shareholder does not desire to purchase his quota, but to dispose of his rights.

Quebec Gold Mining Corp. now holds 879,848 shares of Pamour Porcupine Mines, the property in the Porcupine area of northern Ontario, whch has been under development by Noranda. Development work on the property has been satisfactory, and has indicated substantial tonnages of fairly low grade ore. At the time of writing, stock of Pamour Porcupine is quoted on the Toronto Stock Exchange at about $4 per share.

Bidgood Tilt Is Victory to New Faction

Contentious Options Cancelled — Give Free Stock

Shareholders of Bidgood Kirkland Gold Mines will shortly be summoned to put the last touches on a settlement which spells virtual victory for the Neelands-Lawson group in the fight for control of the company.

The Financial Post learns from reliable sources that the much discussed options on treasury stock taken by A. L. Herbert, former president, and N. W. Byrne, former secretary, have been cancelled. These options originally understood to be for 100,000 shares each, were at prices well below the current market price for Bidgood stock, and caused sharp dissension among shareholders after the Ontario Securities Commission had criticized them.

Recognizing that it was under the direction of Messrs. Herbert and Byrne that Bidgood made its recovery last fall and early this year, the new directors are planning to give these two men clear title to a block of stock, 20,000 shares going to Herbert and 10,000 to Byrne, The Post understands.

The new board of directors leaves the new group in control, Messrs. Herbert and Byrne not being on the board at all. Included in the new board are some prominent Canadian mining men, including J. H. C. Waite, president of Mining Corp.; R. A. Bryce, president of Macassa Mines; Fred Parkinson, K.C.; Harry Koza, of Cobalt, and William Lawson, the latter, with Dr. R. J. Neelands, having led the fight against the Herbert-Byrne options. It is probable that Oscar Knutson, at present mine manager at Bidgood, will also be on the board, perhaps in an executive capacity. It is planned to put F. G. Gardner in charge of the mine. J. Maitland MacIntosh has been appointed secretary-treasurer.

Is This Proof?

Current Advertisement Seen as Proof Of Something or Other

An advertisement appearing in one of the smaller Toronto mining weeklies, is being nominated for the "Ad. of the month" ranks.

Sponsored by the fiscal agents of Gold Range Mines in the Thunder Bay district of Ontario, the advertisement starts by asking a question; "Is this proof?"

Then follow two photographs, apparently taken well after sunset, of several gentlemen standing around the shaft, or what is labelled a shaft.

But the piece de resistance is a "photograph" labelled: "This is the GOLD," and bearing the cutlines, "A photograph of some of the gold recently recovered from Gold Range. The larger particles were picked with a knife from some of the veins while the smaller grains were taken from the sands."

The "photograph" shows, against a jet black background, something shaped rather like a cockeyed egg, and tinted a vivid gold color.

No indication is given as to the scale of the "photograph," and it is to be hoped, for the sake of the company, that it is life-sized, since the egg-shaped mass is about four inches long and two wide. Its depth is left to the imagination of the reader.

This may be proof of something, as the ad writer indicated, but what could be disputed.

Noranda Earnings Up In 1st Quarter

Earns 87 Cents Per Share, Estimate for Three Months Shows

From 16,297,127 pounds of copper anodes produced, Noranda Mines, large scale Quebec copper-gold producer, obtained an estimated net profit of $1,952,288, or 87 cents per share in the first quarter of 1936. This compares with earnings of 56 cents per share in the similar quarter of 1935, when copper prices were lower than at present prevailing.

Following is a comparison of the two quarters:

Quarterly Earnings
(First quarter)

	1936 $	1935 $
Total recov.	4,097,481	*3,287,409
Less: Mining, gen. & admins. expen. ..	1,656,841	1,776,054
Reserve for taxes ..	410,000	130,000
Net oper. earnings ..	2,030,640	1,381,355
Add: Misc. income ..	62,159	85,989
Total net earnings ..	2,092,799	1,467,344
Less: Res. for depr. ..	140,511	210,000
Est. net profit	1,952,288	1,257,344
Earnings per share ..	$0.87	$0.56

*After deducting $272,557 paid as Dominion gold tax.

New Financing Plan For Mosher Long Lac

Directors of Mosher Long Lac Gold Mines announce an agreement with a financial group has been reached whereby the group will pay to the company $65,000, of which $30,000 has already been received, and the balance will be paid at the rate of $10,000 per month beginning June 1 next. Stock in Mosher will be taken as the money is advanced at the rate of 25 cents per share. Options have also been given for a further 740,000 shares at the same price.

The Financial Post is informed that plans have not yet been completed with respect to development work. The directors point out that as yet no important ore body has been located on the property of the company, but geological conditions are considered by them favorable.

More Asbestos

Shipments of asbestos by Canadian producers in January, 1936, rose to 17,016 tons from the preceding month's total of 15,924 tons.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

Advertising has found a new champion in the person of Rt. Hon. R. B. Bennett. Apparently the Opposition Leader has been making a study of the subject, for during a debate in the House the other day he put in a strong boost for the necessity of keeping a product and its qualities continually before the public.

"Success is everything," said he, "may be summarized according to my observation in two words: More advertising. If it is done spasmodically it fails; if it is continuous and persistent it will succeed."

* * *

A double-barrelled appeal features a new campaign for Quaker Oats Corn Flakes now being released through Lord & Thomas of Canada. Confined to dailies across Canada for the time being, the copy will alternate between a presentation of the qualities of the product through illustrations and conversational "balloons" and a money-back contract, and an offer to redeem box tops for Babe Ruth baseball gifts.

* * *

Marion Lambert Inc., St. Louis, manufacturers of Dew Deodorant, have appointed Vickers & Benson as advertising agents. Details of the campaign have not been released, but plans are under way for a summer drive.

* * *

A new campaign for Quaker Oats Muffets whole wheat biscuit cereal has just been released to dailies across Canada. Plans do not call for the use of other media at present. It is being directed by Lord & Thomas of Canada.

* * *

Increased use of magazines in full and half-page space will feature Canada Dry advertising this summer. The appropriation has been increased to permit a bigger drive. Small copy will be run regularly in dailies, increasing in space immediately before holiday time.

* * *

Claire Wallace, who has been conducting the "Over-the-Tea-Cups" column in the Toronto Daily Star, has joined the staff of Ronalds Advertising Agency in Toronto. Miss Wallace will be chiefly concerned with radio advertising, particularly with a new programme sponsored by Bristol-Myers to be heard every night over CFRB, Toronto. Known as "Tea-Time Topics," the programme will be in the nature of a vocal society column.

* * *

Out of the three-day annual meeting of the Canadian Daily Newspapers Association in Toronto, April 27-30, little emerges in the way of startling developments. Meetings were held behind closed doors and while discussions on agency relations, advertising commissions and other points are reported to have been lively, few changes resulted.

Officers elected by the association members are: President, T. F. Drummie, general manager, Saint John Telegraph-Journal; vice-president, Colonel J. F. Parkinson, Ottawa Journal; and treasurer, William Wallace, Toronto Star.

The special committee named last year to consider agency relations will carry on this year with the same representatives from the agency and publisher associations.

* * *

Two new advertisers have made their appearance in Canadian technical papers. Fischer Bearings (Canada) Ltd. are using half-page space regularly to advertise their line of anti-friction bearings imported from Germany. Plans are under way for a factory to produce the bearings in England. Full pages are appearing monthly for Hardinge Bros., Elmira, N.Y., makers of machine tools.

* * *

Frank Ryan, Toronto, advertising executive, has resigned from Cockfield, Brown & Company Limited, to become vice-president and managing director of the western Ontario Broadcasting Company Limited, owning and operating Station CKLW in Windsor. At the annual meeting in Windsor, May 1, the following board of directors was elected: Malcolm G. Campbell, president; Frank Ryan, vice-president and managing director; Harry Sedgwick, vice-president; C. W. McDiarmid, secretary-treasurer; Water A. Roland, director.

O'BRIEN GOLD MINES, LIMITED
Information on Request
WAverley 3461
BRIDGER-HEVENOR & Co
Members THE TORONTO STOCK EXCHANGE
33 TEMPERANCE ST. - TORONTO

Canada's Mining Industry is in its infancy.

YET, carefully selected investments in Canadian Mining enterprises have returned handsome profits over the past few years.

WE should like to have the opportunity of submitting a list of companies whose shares, in our opinion, offer splendid profit possibilities.

Cameron, Pointon and Merritt
Members
The Toronto Stock Exchange
Canadian Commodity Exchange, Inc.
44 Adelaide St. W., Toronto
WAverley 2961

Metal Prices

New York—May 12—
Copper: Electrolytic spot & future, $9.50.
Silver: 44¾c.
London—May 12—
(Long Ton)—
Copper: Electrolytic spot, £41 6d; future, £41 5s. Standard spot, £36 15s; future, £37 2s 6d.
Tin: Spot, £204 7s 6d; future, £197 12s 6d.
Lead: Spot, £15 5s; future, £15 5s.
Zinc: Spot, £14 12s 6d; future, £14 17s 6d.
Gold: 140s 2½d.
Silver: 20⅜d.
Canada—May 12—
Gold: $34.84.

Progress Report

Madsen Red Lake Gold Mines Limited

CAPITAL:

	Shares	
Authorized	3,000,000	
Issued:		
To Vendors ..	1,000,000	(pooled)
For Cash	800,000	
In Treasury	1,200,000	

FINANCES:

Preliminary Costs and Plant	$ 60,000.00
Shaft and Underground Work	40,000.00
Cash in Treasury	35,345.00
Due on Option (600,000 Shares)	195,000.00

DEVELOPMENT:—A two-compartment shaft has been sunk to 325 feet with levels at 100, 212 and 325 feet.

Because of the low location of the shaft—it's at the bottom of a hill—and the dip of the vein towards the shaft: the 325-foot level is about 487 feet below the surface outcrop on the incline. In other words, there is a depth of 487 feet of backs of ore down to 325 feet vertical.

SURFACE:—The No. 1 vein has so far been traced for 1,200 feet on surface and good ore, giving consistent values without a break, was revealed for a length of 567 feet. There are two further sections, one on each end, and each showing good values, indicating probable ore on both ends of this shoot. From results so far obtained underground the management says, the picture looks as good, if not better, than on surface.

DRIFTING:—Drifting has been proceeding on the 212 and 325-foot levels. Crosscutting to the ore is proceeding on the 100-foot level.

Most sampling underground has been done on the 212-foot level and so far the ore compares quite favorably with the surface, in fact it is better over mining widths. Manager's report indicates that the first 12[illegible] feet of ore at this horizon will run $24.31 over 36 inches. On the 325-foot level, when he had a 150-foot ore shoot developed, the manager reported fine visible gold in every round over mining widths. The opinion is expressed that bulk sampling may show even better results than the channel sampling because of the presence of so much visible gold.

During April, 110 samples were sent to an independent assayer. These came from the 212 and 325-foot levels and have not as yet been plotted, but the average of the 110 samples gives a fair idea of the results being met with:

Date	Number of Assays	Highest Assay	Lowest Assay	Aver. Gold Content-Ozs.	Average Value
April 4	29	$323.05	Trace	1.387	$46.7[illegible]
April 13	16	54.60	$ .70	.299	10.2[illegible]
April 17	42	211.05	Trace	.345	12.0[illegible]
April 21	23	154.00	.35	.865	30.2[illegible]
TOTAL	110			.685	$23.9[illegible]

In his original estimate of indicated ore, Manager A. H. Honsberger, showed the centre zone of the vein to contain 45,000 tons to 300 feet on the vein. The present deep level at 325-foot vertical adds approximately 1[illegible] feet additional depth on the incline and possibilities of a substantial additional indicated ore tonnage.

In another couple of months, drifting will be well advanced on the 100-foot horizon, and the management will then be able to give a detailed report on blocked out ore on three levels. The officials of the company express themselves as satisfied with the results they are getting underground and are quite confident that by mid-summer, the property will have worked into a nice ore position, with a substantial tonnage and good values.

Madsen Red Lake Gold Mines Limited
JOS. McDONOUGH, Managing Director

Diana Not Dead Creditors Hope After Meeting

May Resume Work at Property of Bankrupt Company

NAME INSPECTORS

From Our Own Correspondent

WINNIPEG.—Creditors of Diana Gold Mines are now in control of the property, following a meeting held here recently. Five inspectors were appointed W. E. Davison, H. R. Roberge, J. W. Tackaberry, E. Govan and H. P. Blackwood, K.C., the latter representing wage earners. Following the disposition of wage claims Mr. Blackwood's place will be taken by H. Rousseau.

London and Western Trusts Co. are trustees. Preliminary statements show assets of $42,000, not including the mine property, upon which no value has yet been placed. Liabilities are shown at $105,882 or an estimated surplus of liabilities over assets of $62,892. Preferred claims total $39,781 this sum including $9,413.61 in the form of wages.

Creditors hope some arrangement can be made whereby claims will be settled, possibly not immediately but within a reasonable period and that the mine property may be completely rehabilitated. In the meantime the shaft and underground workings are being kept free of water.

At present the central mining areas are isolated. Planes have quit flying and winter roads have broken up. Rivers and some of the smaller lakes are free of ice but it will probably be another week before summer flying will be general.

Making Gold

U. S. Scientists Real Alchemists But . . . . .

By means of a "gun" which produces so powerful a blast of energy that if a finger were placed in the beam it would be sheared off as with a knife, University of California scientists report the successful artificial production of gold. This, the goal of alchemists throughout the ages, is brought about by the transformation of the atomic nucleus, using the most powerful projectiles known to science. The experiment was reported at the opening session of the National Academy of Sciences in Washington recently.

Apparently, the only catch to this process, a catch which, incidentally, will probably make economists breathe more easily, is that the scientists use platinum as the starting point in the experiment. Platinum is, of course, as expensive as gold. It does not take a chartered accountant to see that this process has no immediate possibilities of profit.

The inventors of the machine claim, however, that the method employed in the transformation is of such a basic nature that it will be "only a matter of time" before it is applied to changing lead or other cheap metals into gold, and then the economic effect will depend largely on the cost of the electrical energy needed to effect the transformation.

Gold was produced by Dr. E. O. Lawrence and Dr. J. M. Cork, the scientists, in only infinitesimally small amounts, far below the amounts which would be detected by the most delicate chemical method.

Broadens Battefront

The real significance of the achievement appears to be that it has broadened the battlefront which scientists are trying to penetrate and transform the nuclei of atoms, so that they are now able to penetrate the heart of even the heaviest atoms.

The transmutation gun used renders the air through which it passes incandescent, and each particle in the beam strikes with such enormous energy that it would convert two million pounds of water into steam in an instant.

Gurney's Mill Plans Rest on 375-ft. Level

From Our Own Correspondent

WINNIPEG.—Gurney Gold Mines is now cross-cutting at the 375-ft. level where the downward extension of the vein encountered by diamond drills at 200 ft., is expected to be found. If the vein at this level carries same widths and values as indicated in the upper horizons the management is of the opinion that indicated ore bodies, when substantiated by lateral work will warrant early consideration of mill plans. Hydro-Electric power is expected to be available from the Flin Flon power line, 17 miles from Gurney Gold, the latter being within three miles of the railway line from Cranberry Portage to Sherridon.

Bulolo Gold Dredging Offers Rights at $20 Share

MONTREAL.—Bulolo Gold Dredging will offer to shareholders registered in the company's books at close of business on June 10, right to apply for one new share at $20 for each 16 shares held at that date.

Under this plan the company will issue 60,000 shares which will net the treasury $1.2 millions. This new capital will be used to finance the cost of constructing and installing two dredges.

The purchase price on the new stock will be payable in two installments, $10 on application and $10 on allotment.

Thompson-Cadillac Stock Listed in Montreal

From Our Own Correspondent

MONTREAL. — Thompson-Cadillac Mining Corp. stock has been called for trading on the Montreal Curb Market. The list covers 1,083,416 shares of $1 par value, with authority to add 1,366,940 shares held in escrow on official notice of release; 537,500 shares under option on notice of issue; and 12,144 treasury shares on official notice of issuance.

The Un-Idle Rich

J.P. Bickell's Life Gives Lie to a Favorite Phrase of the Soap Box Economist

By R. E. KNOWLES, Jr.

Part of the credit for the happy ending to the mine drama at Moose River, N. S., recently, should go to J. P. Bickell, Toronto millionaire, because very early during that epic struggle he dispatched rescue workers and equipment to the Nova Scotia town in a chartered airplane.

No one was surprised when Mr. Bickell did this; he is the kind of man who does that kind of thing. To describe him as briefly as possible one must call him the following: broker, mine owner, theatre magnate, sportsman, art connoisseur, philanthropist and bon vivant. Furthermore, he is all of these things par excellence. He earned his own living from the age of 14, became a millionaire in his early thirties, and is today reputed to be one of the richest men in Ontario. But his claim to distinction does not lie in his wealth; it lies in the diversity of his interests—business, social and recreational—in the intensity with which he pursues them.

J. P. BICKELL

Take his business interests first. He is president of McIntyre-Porcupine and Castle-Trethewey mines, vice-president of Famous Players Canadian Corp., senior partner in the brokerage house of Thompson and McKinnon, and a director of the Canadian Bank of Commerce. International Nickel and St. Mary's Cement Co.

"In His Spare Time"

But the duties that these positions entail apparently can't keep him fully occupied because he is also a member of the board of governors of Wellesley Hospital, and a director of the Canadian Social Hygiene Council, the St. John Ambulance Brigade, the Ontario Mining Association and the Grange Art Gallery.

On top of all these business and social activities he still finds time to pursue his hobbies as a yachtsman, horseman, golfer and patron of the arts. He belongs to the leading yacht clubs of the continent, namely the Royal Canadian, the Columbia and the Thousand Islands. During his younger days he was an enthusiastic speedboat racer, winning several international cups, but more recently he has confined himself to sponsoring the sport. He is a member of the Mississauga Golf and Country Club where, a few years ago, he earned himself membership among that select company of hole-in-one-ers. Other clubs to which he belongs are the Albany, the Ontario and the Chicago Athletic.

Objets d'Art

Mr. Bickell has demonstrated he is no mere tyro as an art collector. At the sale of Sir Henry Pellatt's furnishings for Casa Loma he bought a picture for $3,000 and later refused an offer of $32,500 for it. A Madonna panel, reputedly by Leonardi da Vinci, that he bought for $800 was appraised by an expert as being worth $20,000. His best known purchase was that of the world-famous Aubusson tapestries, "The Seasons," for $11,100. This piece is so well known that the Grange asked to borrow it, and Mr. Bickell consented to have it placed on view there for a while.

These masterpieces — and many others—adorn his palatial home in the Mississauga Road near Port Credit. This house, which cost $250,000 to build, is one of the most magnificent and most complete in the Toronto area. It contains an indoor swimming pool, a bowling alley and a private theatre; the dining room, extending 2 stories in height, has a floor and carved balconies of marble; while a heated underground tunnel connects the house with the 10-car garage 160 ft away.

The shelves of the cellars, it is said, contain goods of such quantity and quality as would make most European monarchs envious.

Mr. Bickell is suited to the rôle of genial host. He is burly—if not portly. His hair, generously touched with grey, sets off his square-set facial features to advantage. These features are generally adorned with a suggestion of a smile and frequently with a cigar as well. While he has run the gamut of nearly all the pleasures that life offers, he gives no impression of boredom On the other hand, he is interested in everything under the sun, believing that variety is the spice of life.

Flip of the Coin

Although he makes a secret of most of his charitable donations, his generous sporting nature is well known. The story is told of how, some years ago, he went to Haileybury for the funeral of a business associate. After the service in the Anglican Church he and the rector were chatting together when the latter happened to mention the fact that the parish labored under a heavy mortgage. Mr. Bickell turned to Harry Sims, another mining man who had gone up for the funeral, and offered to toss him to see which of them would pay off the mortgage. Mr. Bickell won the toss; Mr. Sims paid off the mortgage.

Several eminent Canadian-born financiers have been ministers' sons, including J. H. Gundy and Sir Edward Peacock. Jack Bickell is another minister's son; he was born in the manse at Mount Forest, Ont., on Sept. 26, 1884. He attended St. Andrew's College for a while, but when his father, Rev. David Bickell, died he had to leave school. At the age of 14 he went to work for a financial house in Chicago, but returned to Toronto in 1907 and, though only 23, started a broker's business known as J. P. Bickell & Co.

Big Grain Dealer

A mining boom was on in Ontario at the time. Obtaining a seat on the Standard Stock and Mining Exchange, the young broker prospered from the start. He dealt in grain futures as well, establishing connections with the Chicago Board of Trade, the Winnipeg Grain Exchange and the New York Produce and Cotton Exchange. For a time his firm did one of the largest turnovers in grain on the continent.

McIntyre - Porcupine interested him. This mine was then anything but prosperous, its shares were a drug on the market, and its officials only one jump ahead of the sheriff. Young Bickell bought the claims under Pearl Lake, adjoining the original property, and sold them to the company for stock; these areas subsequently became the most important sections of the mine. Meanwhile, Bickell reorganized the company, infused new energy into its directors, and obtained the services of some outstanding mining men. The development of McIntyre-Porcupine to its present outstanding position followed as a result.

About the time the Great War broke out Mr. Bickell became interested in the motion picture business. He built the Regent Theatre, the first of the up-to-date picture houses in Toronto, and became a power in the Famous Players Canadian Company. In 1919 he gave up his brokerage business and acquired an interest in the firm of Thompson and McKinnon.

He is said to have made a million dollars within a few days when, in July of 1931, he obtained a corner on the Chicago corn market. He was able to do this because he had made a careful study of weather and crop conditions. When the shorts were on a rampage he went long until he had an amount greater than the difference between the short sales and the available supply. His name played a large part in the enquiry by the United States government that followed.

Mr. Bickell has never married. One may rank him, therefore, with Premier King, Rt. Hon. Mr. Bennett and Sir Edward Beatty, as being one of Canada's eminently eligible bachelors.

Mining Enquiries

Val d'Or Mineral Holdings

I was formerly holding shares of N.A.M.E., for which we received Pickle Crow and Val d'Or. Have you any information available on Val d'Or? Would you advise me to sell Pickle Crow at the present prices? My personal feeling is to hold on to this stock as it seems to be under good management and has a possibility of developing into a real mine.

Val d'Or Mineral Holdings was formed by J. E. Hammell in September, last year, to take over the assets of Northern Aerial Canada Golds Limited, which company was formed to succeed Northern Aerial Minerals Exploration. At the time of the formation of Val d'Or, shareholders of N.A.M.E. received ten shares of Pickle Crow and ten shares of Val d'Or for each preference share of N.A.M.E., and one share of Pickle Crow and one share of Val d'Or for each share of N.A.M.E.

Assets of Val d'Or include a substantial holding in Pickle Crow Gold Mines, amounting to over 100,000 shares, 500,000 shares of Yukon Border Placer Golds, 1,100,000 shares of Stabell Lake Gold Mines, which property is under option to Greene Stabell Gold Mines, and stock in various other undeveloped mining interests throughout Canada.

You will see that Val d'Or has a widespread variety of interests and a fair speculative attraction. In addition to the speculative companies in this concern's portfolio, the stock of Pickle Crow represents an interest in one of the most promising young producers in northern Ontario. We are inclined to agree with you that the future of Pickle Crow looks at the moment particularly bright. The company has met with success in deeper development work, and, as you are probably aware, the ore bodies are standing up well in both width and value.

In addition, the management has shown itself to be energetic and capable.

Vantage Mines

Have you any information on Vantage Mines? I have been told the property is promising, but can find out nothing about the company or property.

Vantage Mines Ltd. has not as yet offered any public stock, development work to date having been financed by a small group of engineers and brokers. The property lies just west of the McIntyre Porcupine property in the Mud Lake district of Quebec. Last winter some surface work and a limited amount of diamond drilling was carried out, but the results were inconclusive. The company claims to have sufficient funds to finance further work without resorting to a public offering.

Vantage Mines has an authorized capitalization of three million shares, of which one million were issued for the property. An additional 190,000 shares were taken up by the group supplying funds, making a total issue of 1,190,005. The property consists of 15 claims owned outright, and an option on 10 adjoining claims.

Briefly, the property appears to be a geological bet, lying in a fairly strategic position. It is still, of course virtually an untouched prospect. Further surface work will be done this summer. To date, officials inform us, no sizable ore body has been indicated. What results have been obtained, however, appear to warrant further work.

Toburn Gold Mines

I would appreciate an analysis briefly outlining the background and physical condition of Toburn Gold Mines.

Toburn Gold Mines is controlled by Premier Gold Mining, and is producing from the most easterly property on the main Kirkland Lake break. In conjunction with most-established gold producers, it has shown material increase in the past few years. In 1934 net profit amounted to $219,224, as against $133,710 in the previous year. Earnings per share, were, accordingly, 11.8 cents in 1935, as against 7.2 cents in 1934. As at December, 1935, ore reserves were estimated at 82,650 tons, with an average grade of .57 oz. per ton. This includes only broken and unbroken ore reserves. While this is the greatest tonnage or ore reserves in the company's history, grade has fallen off slightly. An average grade, however, of .57 oz. per ton is very satisfactory.

The company has an authorized capitalization of two million shares, of which 1,850,000 are outstanding. The stock is of no par value. The company is paying regular dividends of eight cents per share per annum, and shows a comparatively strong working capital position of $537,612.

The company's administration has been conservative, and development work to 1,850 ft. augurs well for the future of the company.

Silveradium Mines

I hold some stock in Silveradium Mines Syndicate Ltd., and would like to cash in on it if possible. What has happened to this company?

The properties of Silveradium Mines Syndicate Ltd., formed in 1933, were acquired by Great Bear Development Co. Great Bear Development Co. was, in turn, taken over by Hottah Lake Gold and Radium Minerals. After these two reorganizations, the exact equity which unit holders in Silveradium would have in Hottah Lake has never been made clear. In any event, we understand that the equity of the original Silveradium shareholders would be very small.

Hottah Lake has never been able to raise money, and we understand semi-officially that the proposition is in a bad way, both financially and property-wise. There is no market for the stock at the present time, and under current circumstances we can see little hope of any value being attached to your holdings.

Mining Concerns Newly Formed

West Flo Gold Mines—Ont. Incorp., Feb. 11, 1936. H. O., Toronto. Author. cap. $50,000, divided into 50,000 shares of $1 each.

Elizabeth Gold Mining — Ont. Incorp., Feb. 10, 1936. H. O., Toronto. Author. cap. $2,000,000, divided into 2,000,000 shares of $1 each.

Hocken Exploration—Ont. Incorp., Feb. 11, 1936. H. O., Toronto. Author. cap. $40,000, divided into 40,000 shares of $1 each.

Lancour Mines—Ont. Incorp., Feb. 11, 1936. H. O., Toronto. Author. cap. $3,500,000, divided into 3,500,000 of $1 each.

Bullion Basin Mines—Ont. Incorp., Dec. 4, 1935. H. O., Toronto. Author. cap. $1,000,000, divided into 1,000,000 shares of $1 each.

Addington Mines—Ont. Incorp., Feb. 12, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Bern Martyn Prospecting—Ont. Incorp., Feb. 6, 1936. H. O., Toronto. Author. cap. $50,000, divided into 50,000 shares of $1 each.

Blue Star Mines—Ont. Incorp., Feb. 11, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

Wilson Red Lake Gold Mines — Ont. Incorp., Feb. 29, 1936. H. O., Toronto. Author. cap. $3,000,000, divided into 3,000,000 shares of $1 each.

British Guiana Mining — Que. Incorp., Feb. 4, 1936. H. O., Montreal. Author. cap. $250,000, divided into 250,000 shares of $1 each.

Manitou Mining—B. C. Incorp., Mar. 20, 1936. H. O., 716 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap. $1,500,000, divided into 3,000,000 shares of 50 cents each.

Boundary Gold Placers, Inc.—Incorp. in State of Washington, registered as an extra-provincial company in B. C., Mar. 20, 1936. H. O. in B. C., Rooms 5 and 6, Davis Block, Bridge St., Grand Forks.

Wallace Mountain Mining—B. C. Incorp., Feb. 28, 1936. H. O., Govier Block, Penticton, B.C. Author. Cap. $150,000, divided into 300,000 shares of 50 cents each.

Cinema Gold Placers — B. C. Incorp., Feb. 27, 1936. H. O., 1216 Seymour St., Vancouver. Author. cap. $50,000, divided into 50,000 shares of $1 each.

The Prospecting Syndicate of Canada—B. C. Incorp., Mar. 6, 1936. H. O., 609 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap. $100,000, divided into 100,000 shares of $1 each.

Amador Hydraulic Placers—B. C. Incorp., Mar. 10, 1936. H. O., Rooms 301-5, Bank of Toronto Bldg., Victoria. Author. cap. 250,000 shares of no par value.

Murray Creek Gold Alluvials—B. C. Incorp., Mar. 12, 1936. H. O., Barkerville, B.C. Author. cap. $200,000, divided into 200,000 shares of $1 each.

Lost Creek Placer Gold—B. C. Incorp., Mar. 14, 1936. H. O., Suite 826, Vancouver Block, 736 Granville St., Vancouver. Author. cap. $50,000, divided into 50,000 shares of $1 each.

Bridge River Contact Gold Mines—B. C. Incorp., Mar. 13, 1936. H. O., Room 422, Pacific Bldg., 744 Hastings St. W., Vancouver. Author. cap. 200,000 shares of no par value.

Old Channel Mining & Dredging—B. C. Incorp., Mar. 16, 1936. H. O., 522 Metropolitan Bldg., 837 Hastings St. W., Vancouver. Author. cap. $250,000, divided into 500,000 shares of 50 cents each.

Jubilee Gold Mines — Alberta Incorp., registered as an extra-provincial company Mar. 5, 1936. H. O., 415 Tegler Bldg., Edmonton; in B. C., 918 Government St., Victoria. Paid-up cap. $16,630.

Morlett Mining Syndicate—Dom. Incorp. as a private company Mar. 16, 1936. H. O., Ottawa. Author. cap. $50,000, divided into 5,000 shares of $10 each.

SURRENDER OF CHARTER

La Palme Porcupine Mines—Notice given at Toronto, Apr. 14, 1936, that surrender of charter will be made.

Murwood Gold Mines—Notice given on Apr. 16, 1936, that application for surrender of charter will be made.

Gachin Gold Syndicate—Incorp. Apr. 4, 1933, will make application for surrender of its charter. Succeeded by Gachin Gold Ltd.

Regina Reef Gold Mines—Notice given for the cancellation of charter Apr. 6, 1936.

Canusa Mining & Exploration — Notice given of application for surrender of charter.

CAPITAL INCREASED

Canusa Gold Mines — Supplementary letters patent issued Mar. 13, 1936, increasing the capital from $1,500,000 to $4,500,000 by the creation of 3,000,000 additional shares of $1 each.

CHANGE OF NAME

Sagwitchewan Gold Mines—Notice was given Mar. 23, 1936, the company had changed its name to Sagawana Gold Mines.

Jaroba Sturgeon Gold Mines — Notice given Mar. 17, 1936, of change of name to Don-Martic Gold Mines.

Burns Basin Gold Mines—611 Metropolitan Bldg., 837 Hastings St. W., Vancouver, will apply for approval to change its name to Gold Valley Mines.

We recommend purchase at the market
BLUE STAR
Information upon request.
Lloyd Lott & Company Limited
401 Bank of Hamilton Bldg., 67 Yonge Street, Toronto
WAverley 2989

WE MAINTAIN ACTIVE TRADING DEPARTMENTS SPECIALIZING IN LISTED AND UNLISTED CANADIAN MINING AND INDUSTRIAL SECURITIES.
Our statistical staff would be pleased to answer inquiries regarding all classes of securities.
F.J. CRAWFORD & CO.
Members
Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange Inc.
11 Jordan St. - Toronto
ELgin 2201

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order as space permits.

Hard Rock Gold Mines

This stock, listed in Toronto, has shown steady advancement in the past year, rising from a low of 26 cents in 1935 to a high of $2.40 a few weeks ago.

This rise in price must be viewed against the generally favorable results obtained in the Little Long Lac section. Adjoining MacLeod Cockshutt on the east, Hard Rock has, by drilling, indicated the extension of the new wide ore zone on the MacLeod property which made the latter stock one of the features of recent market action.

This drilling, which is being carried on in conjunction with underground work to the 575-ft. level, has made Hard Rock one of the favorite properties in this much favored field.

Hard Rock was formed in January, 1934, to acquire the properties of Hard Rock Gold Syndicate. Authorized capitalization is $2,500,000 par value $1, of which $2,200,005 have been issued.

Finances for the present development are being provided by Goldale Mines, which, in February of this year, obtained options on 200,000 shares at 65 cents and on 99,995 at 75 cents per share, to be completed by Jan. 1, 1937.

As at Feb. 29, 1936, current assets amounted to $97,721, as against current liabilities of $12,172. Cash on hand amounted to $97,615.

Consideration is being given to erection of a mill, probably of 150-ton per day initial capacity. It is not thought likely construction will start for some time, however. In the meantime, Hard Rock appears to offer fair enough speculative possibilities.

Price Range of Stock

	High	Low	Last
1935			
Common	.49	.26	.30
1936			
Common	2.00	.30	1.94

Harker Gold Mines

While the property of Harker Gold Mines in the Lightning River district of Ontario has been inactive for many years, the stock is fairly active on the mining section of the Toronto Stock Exchange, due chiefly to the company's holdings in Pickle Crow Gold Mines, Greene Stabell Gold and Val D'Or Mineral holdings, all promotions of John E. Hammell.

At last report these holdings amounted to 14,674 shares of Pickle Crow, 14,674 shares of Val D'Or and 250,000 shares of Greene Stabell Mines. At current market prices (May 12) these holdings have a market value of about $267,000 or approximately seven cents per share on the four million shares of Harker outstanding. This valuation, of course, does not include current assets of the company which, although the 1935 annual report has not been issued, are understood to be fairly substantial.

Possibilities of reopening the original property are uncertain. Development includes a shaft to 1,000 ft., with lateral work on the 250-, 375-, 500- and 1,000-ft. levels. Development failed to disclose commercial ore of importance, and operations ceased in October, 1929.

Price Range of Stock

	High	Low	Last
1935			
Common	.10	.04	.07
1936			
Common	.18½	.07	.18

Hollinger Consolidated

This famed old Porcupine producer is now in its 26th year as a producing mine, and has had its span of life materially lengthened by higher gold prices.

Hollinger led the way in the policy of cleaning up the upper levels of lower grade ore while gold prices were high, with the result that earnings have not reflected the increased price of gold. Higher taxes also had a bearing on this trend. However, with much of the lower grade ore in the upper levels now milled at a profit, the company will, it is expected, show a higher recovery per ton, and with the complete absence of the bullion tax in 1936, earnings for the current year are expected to be higher.

Hollinger pays 65 cents per year in dividends, plus bonuses, which, in 1935, brought payments up to 90 cents per share. Earnings per share in 1935 amounted to $1.03 as against $1.32 in 1934.

After 26 years of production, the ore reserves today are, in volume, higher than ever before, and are sufficient to supply the mill at its present rate of about 5,000 tons per day for over four years.

At present prices the yield on Hollinger stock is approximately 5.9 per cent which, in view of the degree of security offered, is considered very satisfactory. Part of the company's policy is to pay out a large percentage of earnings in the form of dividends.

Hollinger's outlook is strengthened by its growing interest in outside properties, chief of which are in Hislop twp., Ontario, at Horwood Lake, and the Young Davidson Mines, Matachewan producer.

As at Dec. 31, 1935, Hollinger's working capital stood at $1,743,796, ratio of current assets to current liabilities being 2.34 to 1. All the company's investment interests are centred in its subsidiary, International Bond and Share Corp.

Price Range of Stock

	High	Low	Last
1935			
Common	20.25	11.65	14.00
1936			
Common	17.25	13.50	15.25

Interest Reviving At Lac du Bonnet

Eastern Money to Develop Base Metal Group in Manitoba

A revival of interest in base metal possibilities in the Lac du Bonnet mining area of Manitoba is contained in the announcement that H. R. Drummond-Hay, representing eastern financial interests, has secured an option on the property known as the Colossus, Mayville and Devlin groups. The sampling will be done by mid-summer, and if results are satisfactory development is, it is reported, assured on ample finances.

Messrs. D. S. McLeod and Stewart More, who have been interested in the property for many years and are responsible for the present management, report that on the Mayville property a tonnage of 200,987 tons of sorted ore has been indicated by drilling, showing values in copper, nickel, sulphur and some silver. Both the Colossus claims and the Devlin property have given similar values from preliminary work, it is reported.

Drilling Cheers Opemiska Copper

Development of the north zone and the No. 1 zone of Opemiska Copper Mines Ltd. from a shaft being sunk to the 150-ft. level is forecast in the statement of W. L. Heidenreich, company engineer, whose report accompanies the annual financial report for the year ended Dec. 31, 1935.

No. 2 zone will be developed or diamond drilled from the 150-ft. level. About mid-summer the company expects to sink to the 275-ft. horizon.

Discovery of a new copper zone about 2,000 ft. east of the known showings was followed by drilling of commercial ore widths and at a vertical depth of 175 ft. indicated 30 to 40 ft. of ore running 2 per cent to 4 per cent copper. Length of the vein has not been determined and drilling was discontinued until the summer.

Thayer Lindsley, president of Opemiska, announces that work planned for this summer will permit the management to reach a decision regarding the scale of future operations. Prices improvement in copper is noted, and at a steady price of 8½ cents a pound, profits should be made on the grade of ore indicated by preliminary drilling, Mr. Lindsley says.

Working capital position, revealed in the report, shows cash of $13,258 and $97,259 receivable on subscriptions for shares offered in November, 1935, and since received. Accounts payable are $33,701, and $150 is owing to Ventures Ltd.

Sherritt Gordon Starts on Tram Line

From Our Own Correspondent

WINNIPEG.—Preliminary work at Sherritt-Gordon has commenced, the first job being the construction of a tram line from the east shaft to the mill. Work on deepening the shaft to 1,100 feet will be commenced shortly, with a new level being established at 1,000 feet.

B.C. Municipality Recovery "Moses"

Matsqui, small municipality in the Fraser River Valley of British Columbia, is going to lead the way to recovery.

Scoffers may refer to no less an authority than Reeve G. A. Cruickshank.

Mr. Cruickshank recently announced his municipality will pay relief allowances, current operating expenses, and all other expenditures with new Canadian silver dollars. About $10,000 will be paid out monthly in silver dollars by this municipality.

"We are going to lead the way to recovery," stated Reeve Cruickshank, "by calling into circulation all the silver we can muster."

Reward Mining Co. Buys New Claims

Also Plan to Continue Work at Ketchikan

C. P. Riel, manager of Reward Mining Co., informs The Financial Post that the company has purchased a potentially important gold property on Porchier Island near Prince Rupert, British Columbia. The property adjoins the Surf Point Mine. With $10,000 worth of equipment shipped into the property, the Reward company expects to get it into the milling stage some time this year. Reward will own full title when they have paid the purchase price of $40,000, which is spread over a term of years.

Mr. Riel states that the development of this mine does not mean the abandonment of Reward's option on the Sea Level Mine at Ketchikan, further arrangements being made for the development of this property.

Afton Shareholders Will Get New Stock

Afton Mines has advised the Toronto Stock Exchange that shareholders of record May 15 will receive June 1 one share of New Golden Rose Mines Ltd. for each two shares of Afton Mines held. Afton shares will sell ex-distribution on the Toronto Stock Exchange on May 14.

This announcement is in accordance with the agreement with Consolidated Mining and Smelting Co., which in May, 1935, formed New Golden Rose Mines Ltd. to develop Afton property at Emerald Lake Afton Township, Ont. Afton Mines Ltd. will receive one million shares as vendors of the property to New Golden Rose Mines.

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Grade Rises At Island Mt.

First Quarter Production Shows Net Profit $8,058

Higher recovery per ton in April than the average for the first three months of the year is reported by Island Mountain Mines Co., producer in the Barkerville area of B. C.

For 3,395 tons of ore mined in April 1,706 fines ounces of gold were produced, or an average recovery per ton of 0.50 ounces.

For the first quarter the mill handled an average of 112 tons per day, or 10,260 tons for the 3-month period. From this tonnage, bullion to the value of $163,229, or 4,681 ounces gold was produced. This is a recovery per ton of about 0.46 ounces.

An operating profit after taxes of $70,131 is shown for the first quarter of the year, and a profit after depreciation and depletion of $8,058. Net current assets as at March 31, 1936, are stated to be $99,268.

Sudbury Basin Mines Strengthens Position

Market value of quoted securities in the portfolio of Sudbury Basin Mines, holding company, was, on Dec. 31, 1935, $10,353,000, J. Errington, president, reports in the annual statement to shareholders.

Chief asset of Sudbury basin is its holdings in Falconbridge Nickel Mines, in which company Sudbury Basin holds 1,197,900 shares, on which were paid dividends amounting to 30 cents per share.

The portfolio also shows substantial holdings in Sherrit-Gordon, Canadian Malartic, Matachewan Consolidated, Nipissing Mines Co., Beattie Gold, Osisko Lake, Little Long Lac Gold Mines, Pickle Crow and Okland Gold Mines.

The balance sheet as at Dec. 31, shows current assets totalling $211,216, comprising $201,282 in cash, and $9,934 accounts, dividends, etc., receivable. Liabilities current are confined to share subscriptions payable of $2,875, leaving a working capital of $208,340, compared with a deficit in working capital of $72,795 at the end of 1934.

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Investing for the Next Five Years

Partial Liquidity Important For Investor Even at Expense of Possible Capital Gains

ONE of the essentials in the average investor's portfolio is liquid securities, upon which interest rates are unusually low at present. The objective should be 4 to 5 per cent with safety, since capital profits are improbable.

This article, the second of a series "Investing for the Next Five Years," discusses methods of investing part of the portfolio in bonds and higher quality preferred shares.

Succeeding articles will deal with equity investments, flexibility and riskier types of securities as opportunities to capitalize on economic recovery.

Securities that normally are considered the riskiest, or of inferior quality, may benefit most in a lengthy period of economic recovery.

Nevertheless, the experienced investor knows that he would be foolhardy to gamble his whole investment in secondary securities, even with the odds in his favor.

He knows that economic and investment conditions should improve in the next five years. He also realizes, however, that there may be periods of retrogression; that he may need to borrow cash, or that he may need to sell some of his securities to take advantage of good investment opportunities.

Thus, it is essential to invest in some higher quality bonds and preferred shares even in the face of what appear to be disadvantages for such issues in the next five years.

Disadvantages of Bonds

It does not seem likely that higher grades of government bonds will rise much further in price. Indeed a financial crisis in Canada would tend to drive them downward. Except for this possibility, however, it appears that any decline of higher grade bonds should be gradual.

There is also the possibility of a rise in the cost of living. From 1930 to 1933 the cost of living in Canada declined about 30 per cent. Since 1933 it has risen from about 70 per cent to about 80 per cent of the 1930 level. Meanwhile the income available to the buyer of government bonds has dropped to about 80 per cent of 1930 returns.

While income available to the bond buyer may increase as the cost of living rises, the present buyer would not benefit from any increase in interest rates. Rather he would find the market value of bonds bought at present levels slightly reduced.

Creditor and Partner

In buying bonds, annuities, insurance, savings certificates and other evidences of debt, the investor becomes a creditor.

In buying common shares, the investor takes a partnership interest in business including the risks of losses and the possibilities of sharing increased profits.

Preferred shares constitute a field of investment between creditor and ownership. Their intermediate position requires special consideration.

First, of course, life insurance forms one of the most popular forms of creditor investment. It should continue to be an important foundation of investment, if only to provide immediate cash in case of death.

Government Bonds

Next for the sake of liquidity, come government bonds. They yield unusually small returns at present, as shown in the following selection:

Government Bonds

		Issue	Approx. price	Yield %
Dominion ...	3%	1950-55	99½	3.0
C. N. R.	3%	1945-50	99½	3.0
C. N. R.	3%	1948-53	99¼	3.1
Manitoba	4%	1950	100	4.0
Nova Scotia .	3%	'45 or '50	100	3.0

A host of alternative issues is available to the investor. There are several reasons, however, for suggesting the foregoing as typical of the more suitable government issues at the present.

Considerations for Investor

First, interest rates are very low and prices of government bonds very high. This means that many higher coupon issues are above 100. There may be a concealed loss to the investor in buying such premium bonds. He is inclined to consider all his interest as income. Actually, a substantial part of interest from bonds bought at a premium is return of capital.

Second, price fluctuations are usually smaller on shorter term securities than on long-term bonds. The term of the issues mentioned will, of course, shorten in the next five years. They offer about as high a yield as can be obtained on low-coupon government bonds without buying longest term issues. Even shorter term bonds may well be considered.

Manitoba bonds are included because of the better yield. The province has had to borrow from the Dominion, but has made strenuous efforts to balance its budget and is within striking distance of the objective. Meanwhile there appears to be little danger of financial difficulty for the province.

Municipals, Certificates

In addition to bonds of the Dominion and provinces, there are numerous high quality investments available in municipal securities. Unfortunately, however, many of these issues carry high coupons and sell at premium levels.

The variety of municipal securities is legion. Such cities as Ottawa and Toronto are very well regarded and their bonds sell on levels comparable with Dominion issues. To get a slight increase in yield, the investor would do well to investigate securities of such cities as Hamilton, Halifax, Saint John, Kitchener, and Port Arthur. However, there is sometimes a temporary lack of market for certain bonds.

Another form of highly esteemed creditor investment is the savings certificate. Such are issued by many reliable loan and trust companies. By putting funds into 5-year certificates yields as high as 4 per cent are obtainable. The chief disadvantage is that certificates are not always marketable.

Corporation Bonds

To safeguard against a rise in the cost of living, the bond buyer should consider high quality corporation bonds as offering higher income than government issues. A restricted group returning from 4 to 5 per cent at present follows:

Corporation Bonds

	Issue %	Yr.	Price	Yield %	Times int. earned	Call price
Shawinigan ..	4	'61	98	4.1	1.7	104
Saguenay Pr.	4½	'66	100	4½	1.9	105
Acadia Sug...	4½	'55	100	4.5	5.1	103
Fam. Players	4½	'51	98½	4.6	2.9	103
Union Gas ..	4½	'50	98	4.7	3.1	103
Gatineau	5	'56	98	5.2	1.5	104

It will be noted that these issues are available at 100 or less. Consideration has been given to the fact that they carry low coupon rates. This means that it will not be too profitable to redeem them and refinance at lower rates. However, if all these bonds were called, there would be a compensation to the buyer in the difference between present purchase prices and the call price.

Character of Companies

Each of the 6 companies whose bonds are included in the preceding list has a successful earnings record, not only on these first lien bonds, but also on junior securities. It will be noted that even in the case of Gatineau Power interest should be earned 1.5 times after depreciation, despite reduction in revenue on the company's contracts with the Ontario Hydro.

Although 5 of the 6 issues named have only recently been marketed at reduced interest rates, all the securities represent investments in established enterprises. Refinancing of the issues actually has made the interest safer by reducing the amount the companies need earn.

The reduction in rates has made it unlikely that the bonds will be redeemed again. This avoids the problem of reinvestment that results from redemption. The greatest probability of redemption in the next five years appears to be in the Gatineau 5's which have not been refinanced.

Investing Companies

The number of investors looking hopefully for 5 per cent, without going too far afield from higher quality bonds, is steadily increasing. It must be realized, of course, that under present conditions 5 per cent is only attainable at some sacrifice; either the risk of redemption, a lesser earnings ratio, or possibly some reduction in marketability of the bonds concerned.

One place where 5 per cent or more can be obtained is in bonds of what were originally called "investment trusts," but which might better be called "investing companies." A group of such bonds follows:

Investing Companies

	Issue %	Yr.	Price	Yield %	Times int. earned	Call price
London-Can..	4½	'48	91	5.5	1.3	105
Can. Int. Inv.	5	'59	90	5.8	1.5	104½
Gt. Brit. & C.	4½	'59	93	5.0	1.2	105
United Corps.	5	'53	94	5.5	1.5	100

Of course, 5 per cent can be obtained in other securities too. In the above issues, however, the security consists of a variety of bonds, and preferred and common stocks, held by the investing firms. The buyer of these bonds is, in fact, making a loan on securities. Some of the collateral may not be very good, but on the whole it is worth considerably more than the bonds the companies have outstanding.

These companies have taken advantage of reduced bond prices in the depression to buy in, and cancel, large amounts of their own bonds.

Features of Issues

It will be noted that London-Canadian Investment and Great Britain & Canada Investment recently have not covered interest charges by as wide margins as have United Corporations and Canadian International Investment. Yet yields available on the two latter are higher.

One reason is that the United Corporations interest is payable only if earned. And Canadian International Investment is a comparatively smaller issue and has not been pushed forward as much as the bonds of London-Canadian and of Great Britain and Canada.

Views on Issues

Because these investment firms were formed before the 1929 crash, they have had bad fortune, and their securities, even the bonds, have been in disfavor. This accounts to some extent for the high yields available. Yet it cannot obscure the fact that all are earning interest and that securities held are worth substantially more than the bonds the companies have outstanding.

Among the disadvantages of these issues has been the fact that they have been managed partly by investment dealers who brought them into existence. Also at times the market for these bonds has been "thin." There is an eventual possibility that some of these issues will be redeemed and refinanced. However, in such event, the buyer would be well compensated by the difference between present levels and call prices.

Convertible Bonds

Unfortunately, there are comparatively few convertible bonds available to the Canadian investor; "unfortunately," because the convertible bond offers the stability of fixed income and marketability, along with the possibility of profit in the event that share prices rise substantially with the progress of economic recovery.

Among the more important convertible bonds are these:

Convertible Corporation Bonds

	Issue %	Yr.	Price	Yield %	Times int. earned	Call price
C. P. R.	3	'45	94½	3.8	1.3	102
C. P. R.	3½	'51	96	3.9	1.3	*
Can. Canners.	4	'51	98	4.2	3.8	103
Mont'l Pwr...	3	'39	100	3.0	3.3	†
H. Walker ...	4¼	'51	105	3.6	11.8	104

*Not callable.
†Callable at 100 after July 1, 1937.

Two C.P.R. issues are included. They are convertible up to 1944, $100 of bonds for 4 common shares. The call feature of the 3 per cent issue offsets the seeming advantage in the shorter term. If C.P.R. common were to even approach the levels above $50 a share that existed in 1929 and 1930, the bonds would rise to twice present prices. However, the 3's could be redeemed and the 3½'s could not.

The railway company is doing better and appears capable of earning interest under most adverse conditions. Even if economic recovery were to cause a rise of interest rates and a fall of bonds, the very forces that would bring this about might tend to raise convertible issues due to higher common share values.

Industrial Issues

Canadian Canners appears able to earn bond interest by a good margin in most years. There seems to be some likelihood of increased competition, but the company may benefit from firm food prices.

The bonds are convertible $100 for 5 common shares up to 1943, thereafter, $100 for 4 shares. The peak price for the common in 1929 was $28 a share. Even though this exalted level may not be regained, the liberal conversion feature is a contingent benefit for the bond buyer.

Montreal power 3's are issued in the form of $50 debentures. Each $50 is convertible up to 1939 into one common share. With the stock only slightly above 30, the conversion feature appears to be of little value. The low yield, however, is indicative of the high quality of the security and there is always the possibility that conversion will be profitable.

The Hiram Walker-G. & W. 4¼'s are convertible $100 of bonds for 2½ common shares at present. Only two years ago the common was worth nearly $60 a share. Whisky may not attract some investors and the shares may not rise so sensationally in the near future. Still, there is the possibility. Even though the bonds were called at 104, the buyer around 105 would probably be able to get out without taking a loss.

Preferred Shares

Lastly in this examination of fixed income securities, there are preferred shares. A group that has given a favorable investment experience in the past is as follows:

Preferred Shares

	Div. $	Price $	Y'ld %	Times div. earned	Call price $
Goodyear	2½	55	4.6	4.8	52½
Cosmos	5	103	4.8	7.6	105
Int. Milling	5	102	4.9	5.8	105
Rolland Paper..	6	101	5.9	1.5	105
McColl-Front...	6	102	5.9	2.6	105
Beatty Bros. ...	6	101	5.9	2.7	110
S. Can. Pwr. ...	6	99	6.1	1.7	*
Candn. Oil	8	125	6.4	1.5	*

*Not callable.

These companies are well-seasoned and have stood the tests of boom and depression. It can be seen by the yields that some of these preferred shares are just as highly regarded as good bonds. Yet substantial yields can be obtained and in most cases the shares are highly liquid.

There is a diversity of industries in the list. Except for Goodyear Tire preferred, all are selling below call prices.

In buying preferred shares of higher quality, the investor may hold the equivalent of a first mortgage in that the shares are the senior security.

It is well to remember, however, that preferred shares do not actually constitute a mortgage lien. They amount to restricted partnership investments. If chosen carefully, they may offer higher returns and practically as good security as many bonds. Caution in selection is essential, however, because there is no possibility of increased income from such shares as those named above. And possible capital profits are limited to small proportions.

Possible Results

There is ample scope for diversification even in the higher quality securities in the average investment list. By dividing a fund of $5,000 among the five groups discussed in this article, a gross yield of 4.5 to over 5 per cent is possible.

What are the probable results?

Suppose government bond prices fall 10 per cent between 1936 and 1941, due to a rise of interest rates.

Presumably rising interest rates would be the result of more active business. In such event, convertible bonds would probably tend to strengthen. Also, redemptions in some of the issues mentioned might mean addition to the investor's capital. At least there is the possibility of offsetting advantages, in case bond prices do fall.

Even if some reduction in market value were to ensue, the investor would have had the benefit of protection and liquidity. The point in holding a part of the investment portfolio in bonds and higher quality preferred shares is not to make capital profits, because these are improbable, but to retain some liquidity with a minimum of expense and loss.

Notes for Investor Who Buys Liquidity

In buying bonds and higher quality preferred shares at present day prices, the investor who looks five years ahead should have these things in mind:

1. Purchases at or below par avoid concealed capital losses even though some income may be sacrificed.

2. In corporation issues, earnings should be 1.5 times interest or dividend requirements after depreciation, and purchases should be of securities of well-seasoned firms.

3. Satisfactory income, with reasonable degree of safety, can only be attained in liquid securities by mingling some corporation bonds or preferred shares with government bonds.

Government Debt Up, Corporate Debt Down

New bond financing in Canada in recent years has been almost entirely governmental borrowing.

The combined funded debt of Canadian governments — federal, provincial and municipal — and of corporations amounted to approximately $9.3 billions in 1935, according to a recent compilation by the Dominion Bureau of Statistics. This represents an increase of $654 millions over the combined figure for 1932 compiled in 1933.

The increase is attributable to deficits and capital expenditures funded by the federal and provincial governments.

As at March 31, 1935 the net debt of the Dominion government was $470 millions higher than three years previously and the guaranteed debt $135 millions higher. In the same period, direct liabilities of the provinces increased by $178 millions and indirect liabilities by $15 millions.

Indicative of the small volume of municipal financing that has been undertaken in recent years, bonded debt of Canadian municipalities declined in the 3-year period by $81 millions. This reflects the policy adopted by a large number of municipalities of restricting capital expenditures and of limiting expenses to income. The large number of defaults and the weak financial position of some municipalities has also been a factor in the small volume of new financing.

Funded debt of Canadian corporations has declined, dropping from $2,097 millions to $2,033 millions. Little new financing has been undertaken by corporations. Corporation financing in recent years has been largely refunding, and bonds have also been written down by defaults and reorganizations.

Comparative figures for 1932 and 1935 are given below:

Combined Funded Debt of Canadian Governments and Corporations
(In thousands of dollars)

	1935 $	1932 $
Net debt of Dominion Government	2,846,111	2,376,846
Guaranteed debt	*1,136,356	1,000,522
Gross debt of provinces	1,541,470	1,363,383
Indirect liabilities of provinces	231,138	216,977
Direct debt of municipalities	1,503,728	1,584,000
Corporation and railway bonded debt	†2,033,176	2,097,000
Total	9,290,979	8,636,728

*Exclusive of guarantees under Relief Acts of $104,525,860.
†The railway and corporation funded debt was compiled at $3,668,000,000 in 1933. Deducting the railway guaranteed debt and the amount of loans and advances due to the Dominion Government, the net is $2,033,176,481.

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MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
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